



October 28, 2011

Via Overnight Mail

Mr. Robert Richards, Assistant Regional Counsel
Office of Regional Counsel
U.S. Environmental Protection Agency, Region VII
901 North 5th Street
Kansas City, KS 66101

RE: Sinclair Transportation Company Response to EPA Request for Information
Pursuant to Section 104(e) of CERCLA
Former Lyons Diecasting Facility Superfund Site, Buckner, Missouri

Dear Mr. Richards:

Sinclair Transportation Company ("Sinclair" or "New Sinclair") respectfully submits this response to EPA request for information received September 28 regarding the Former Lyons Diecasting Facility Superfund site in Buckner, Missouri (the "Site"). You will find our answers to EPA's questions attached to this letter.

A review of the corporate history of various entities that have used the tradename "Sinclair" may help in better understanding Sinclair's responses to EPA's request. Key to that understanding is the distinction between the "Old Sinclair" and the "New Sinclair" including New Sinclair's corporate affiliates.

"Old Sinclair" was formed in the State of New York on September 30, 1968 by merger of the following companies:

Sinclair Refining Company, a Maine corporation;
Sinclair Oil and Gas Company, a Maine corporation;
Sinclair Petrochemicals, Inc., a Delaware corporation; and
Sinclair Research, Inc., a Delaware corporation.

New Sinclair believes that Sinclair Refining Company, the Maine corporation, may have been the same Sinclair Refining Company that EPA is inquiring about with regards to the Site. The Old Sinclair merged into Atlantic Richfield Company on March 4, 1969, subject to a Stipulation, Agreement and Order (the "Order") with the U.S. Government of that same date. The Order required Atlantic Richfield, the surviving corporation of the merger, to divest certain assets generally located west of the Mississippi. Atlantic Richfield (hereinafter referred to as "ARCO") sold the properties listed in Article I of the

SINCLAIR OIL CORPORATION

P.O. BOX 30825 • 550 E. SOUTH TEMPLE • SALT LAKE CITY, UTAH 84130-0825

Sale and Purchase Agreement to Pasco, Inc., and its subsidiary Pasco Marketing, Inc., effective December 29, 1972. Article I of that Sale and Purchase Agreement is attached to this letter for your reference. Although Pasco acquired certain pipeline assets from ARCO, none of those assets included the pipeline that New Sinclair currently operates on the Site. The description of pipeline assets sold to Pasco may be found in section D of Article I beginning on page 7. There is no indication in the Sale and Purchase Agreement between ARCO and Pasco, or in any other of New Sinclair's records, that Pasco acquired a company named "Sinclair Pipe Line Company" from ARCO.

New Sinclair is a Wyoming corporation formed under the name of Sinclair Oil Corporation in 1976 and was formed to acquire certain of Pasco assets sold under Pasco's plan for liquidation. The assets acquired by New Sinclair from PASCO in 1976 included a Sinclair Wyoming Refinery, Pasco Marketing, Inc., Pasco Pipeline Company, Inc., the rights to the tradename "Sinclair" and all of Pasco's interest in "Sinclair Oil Corporation," a Delaware corporation. Our records indicate that the Delaware "Sinclair Oil Corporation" was formed solely for the purpose of establishing and protecting the tradename "Sinclair." New Sinclair changed the name of Pasco Pipeline Company to Sinclair Pipeline Company shortly after New Sinclair's acquisition of Pasco's assets and Sinclair continues to conduct business under the tradename "Sinclair Pipeline Company." The assets acquired by New Sinclair from Pasco did not include any of the Old Sinclair facilities located at the Lyons Diecasting Facility in Buckner, Missouri.

New Sinclair, however, acquired ownership of a single pipeline and easement located at the Site through a Pipeline Sale and Purchase Agreement between Williams Pipe Line Company and Sinclair Oil Corporation (the New Sinclair) acting by and through Sinclair Pipeline Company, a division of Sinclair Oil Corporation. That Sale and Purchase Agreement was effective September 29th, 1994, and closing occurred September 30th, 1994. On the closing date Williams Pipe Line Company also acquired a portion of the ARCO Pipe Line's refined products pipeline system which included the property sold to New Sinclair on that same date. A copy of this Sale and Purchase Agreement and a map of New Sinclair's pipeline at the Site is included in our answers to EPA.

Please be aware that in 2006 New Sinclair undertook a corporate reorganization by which Sinclair Oil Corporation, the 1976 Wyoming corporation, was renamed "The Sinclair Companies" and New Sinclair's various business divisions were incorporated as wholly-owned subsidiaries. Through that reorganization, Sinclair Transportation Company now owns and operates the terminal and pipeline assets formerly owned by New Sinclair.

The property at the Site purchased from Williams Pipeline Company was strictly limited to one eight-inch pipeline and the easement occupied by the pipeline. No fee interest in real property, or other structures, facilities or appurtenances were acquired or have been constructed since the purchase at the Site by New Sinclair. New Sinclair's

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sole activity at the site has been operation of that single pipeline for transportation of refined petroleum motor fuels to its terminals and pipeline stations in Missouri and Iowa.

Sinclair appreciates that this history can be difficult to track and hopes that our explanation in this letter provides some clarity. The explanation above is supported by records in our possession acquired through the purchase of assets from Pasco. Because we have very limited records available to us regarding the Old Sinclair, however, we do not have extensive knowledge regarding the ownership and operations by Sinclair Refining Company or Sinclair Pipe Line Company at the Site.

If you have any questions or need to discuss the information presented in and with this letter, please feel free to contact me at 801-524-2753.

Sinclair Transportation Company



David E. Stice
Corporate Attorney

Enclosure: CD containing the following:
Letter Attachment, Article I of the Sale and Purchase Agreement between
Atlantic Richfield Company and Pasco, Inc., December 29, 1972;
Answers to EPA Request for Information;
Exhibits A through D to Answers to EPA Request for Information.

cc: MAP
LCH

Sinclair Answers to EPA Questions
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Question 1: Identify the person(s) answering these questions.

Answer: David E. Stice, Corporate Attorney for Sinclair Transportation Company.

Question 2: Describe your relationship to Sinclair Refining Company and Sinclair Pipeline Company.

Answer: Sinclair Transportation Company understands the EPA to be referring in this Request for Information to Sinclair Refining Company, a Maine corporation, and Sinclair Pipe Line Company, a Delaware corporation in existence circa 1950. Sinclair Transportation Company, including its conduct of business as Sinclair Pipeline Company, has no relationship to either of the foregoing Sinclair Refining Company or the Sinclair Pipe Line Company. Please see Sinclair's explanation in our cover letter to this response.

Question 3: Are you the successor through mergers or did you purchase either Sinclair Refining Company or Sinclair Pipeline Company? If so, describe these mergers or purchases and provide merger and/or purchase documents. Has either company been sold by you? If so, to whom and when.

Answer: Please refer to our answer to question #2. Sinclair Transportation Company and its corporate affiliates are not the successor through merger to, and did not purchase, either Sinclair Refining Company, a Maine corporation, or Sinclair Pipe Line Company, a Delaware corporation. Neither company has been sold by Sinclair Transportation Company.

Question 4: Describe the details of Sinclair Refining Company or Sinclair Pipeline Company's acquisition of the real property, personal property, and/or business operations at the Site. Provide a copy of the purchase documents or documents showing what aspects of the former operation you purchased and from whom.

Answer: Please refer to our answer to question #2. Sinclair Transportation Company and its corporate affiliates have no information describing the details of Sinclair Refining Company's or Sinclair Pipe Line Company's acquisition of real property, personal property and/or business operation at the Site. Neither Sinclair Transportation Company nor its corporate affiliates purchased any aspects of the former operation located at the Site from the former Sinclair entities.

Sinclair Transportation Company, through its corporate parent, acquired a single eight-inch diameter pipeline and associated easement at the Site from Williams Pipe Line Company on September 30, 1994. Please see a

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copy of the Sale and Purchase Agreement attached as Exhibit A. A copy of the easement to Prairie Pipe Line Company acquired by Sinclair Transportation Company from Williams Pipe Line Company is attached as Exhibit B.

Question 5: During what period of time did Sinclair Refining Company or Sinclair Pipeline Company operate at the site?

Answer: Please refer to our answer to question #2. Sinclair Transportation Company and its corporate affiliates do not have any information regarding what period of time Sinclair Refining Company, a Maine corporation or Sinclair Pipe Line Company, a Delaware corporation, operated at the Site.

Sinclair Transportation Company, through its parent corporation, has operated its single, eight-inch diameter pipeline at the Site for the transportation of refined petroleum motor fuel products since September 30, 1994.

Question 6: Where on the property did Sinclair Refining Company or Sinclair Pipeline Company operate at this site? (Show on enclosed map.)

Answer: Please refer to our answer to question #2. Sinclair Transportation Company and its corporate affiliates do not have any information regarding where on the property Sinclair Refining Company or Sinclair Pipe Line Company operated on the site, except to the extent that Sinclair Transportation Company acquired a pipeline right of way easement in 1994 that derived from The Prairie Oil & Gas Company. A copy of that easement is presented in response to Question 4.

Sinclair Transportation Company operates a single eight-inch diameter pipeline on the Site for transportation of refined petroleum products. The location of that pipeline is shown as a solid line on Exhibit C. Please note that Sinclair Transportation Company has current plans to relocate the pipeline to that location shown by the dashed line on Exhibit C.

Question 7: What type of operations did you perform at the Site? Describe these operations in detail, including types of and name of manufacturer of machinery and operating plant used.

Answer: Sinclair Transportation Company has operated a single, 8-inch diameter pipeline on the Site for the purpose of transporting refined petroleum products since September 30, 1994. The pipeline is located underground along the alignment shown by a solid line in the attached Exhibit C to this

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response and should be marked at the Site by upright pipeline marker posts on the ground surface. Please note that Sinclair Transportation Company has current plans to relocate the pipeline to that location shown by the dashed line on Exhibit C.

Sinclair Transportation Company owns no other real property, machinery, equipment, operating plant or pipeline appurtenances at the Site and has not conducted any other type of operations at the Site.

Question 8: Did you ever have any above or below ground tanks at the site? If so, describe what was stored in the tanks, the size of the tanks, and the disposition of the tanks, contents of the tanks, and any cleanup activities related to the tanks.

Answer: Sinclair Transportation Company and its corporate affiliates have never owned or operated above or below ground tanks at the Site.

Question 9: Did you ever use polychlorinated biphenyls (PCBs) at the Site? If so, describe how the PCBs were used, including mixtures with any other substances.

Answer: Sinclair Transportation Company and its corporate affiliates have never used PCBs at the Site.

Question 10: If PCBs were used at the Site, describe how the PCBs were disposed.

Answer: Sinclair Transportation Company and its corporate affiliates have no knowledge regarding how PCBs associated with the Site, if any, were disposed.

Question 11: Provide copies of documents in your possession relating to the operations at the Site involving PCBs or tanks, including, but not limited to licenses, permits, and correspondence.

Answer: Sinclair Transportation Company and its corporate affiliates have no documents under our custody or control relating to operation at the Site involving PCBs or tanks.

Question 11 (sic): When was the Site sold and to whom? Provide documentation of the sale of the Site.

Answer: Sinclair Transportation Company and its corporate affiliates have no information regarding when the Site was sold or to whom and have no documentation regarding the sale of the Site. Sinclair Transportation

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Company, through its parent corporation acquired its pipeline and the associated underlying easement on the 29th of September, 1994, from Williams Pipe Line Company. A copy of the Pipe Line Sale and Purchase Agreement between Williams Pipe Line Company and Sinclair Oil Corporation is provided in response to Question 4.

Question 12: Have you ever been deemed a CERCLA potentially responsible party or RCRA responsible party at any other compressor or pipeline site where PCBs were used? If so, describe name, location, and details of your responsibility at the site.

Answer: None of Sinclair Transportation Company and its corporate predecessors, parents or affiliates have ever been deemed a CERCLA potentially responsible party or RCRA responsible party at any other compressor or pipeline site where PCBs were used.

Question 13: Did Sinclair Refining Company or Sinclair Pipe Line Company conduct any environmental investigation of the Site before purchase of the Site or at any other time? If so, provide a copy of the results of this investigation.

Answer: Please refer to our answer to question #2. Sinclair Transportation Company and its corporate affiliates have no information as to whether Sinclair Refining Company or Sinclair Pipe Line Company conducted any environmental investigation of the Site before purchase or at any other time. Sinclair Transportation Company, through its parent company, may have performed general due diligence regarding pipeline leaks and spills along the pipeline when it purchase the pipe line in 1994 but has no records of any Site-specific environmental investigation. The sole environmental document in Sinclair Transportation Company files relates to a 1965 Break and Leak Report by Sinclair Pipe Line Company, a copy of which is attached to as Exhibit D. This document came into Sinclair Transportation Company's possession as a result of the purchase of the pipeline from Williams Pipe Line Company in 1994.

Question 15: Identify any individuals who may have knowledge of any facts called for in this information request, and include a brief description of the general area of knowledge for each individual.

Answer: Individuals who may have knowledge of facts called for in the information requested are:

Mark A. Petersen, Vice President, Sinclair Transportation Company. Mr Petersen may have general knowledge of Sinclair Transportation Company, including acquisition and operation of its pipeline at the Site.

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Randy Danielson, District Manager, Sinclair Transportation Company.
Mr. Danielson has knowledge regarding Sinclair Transportation Company's current operations at the Site.

Mr. David Stice, Corporate Counsel, Sinclair Transportation Company, has general knowledge of the corporate history of Sinclair Transportation Company and its corporate affiliates.

Question 16: Describe all records currently or formerly in your possession relating to the information requested in this information request. Identify the current custodian of these records and the location of the records. If any of these records have been destroyed, state the date and methods of such destruction.

Answer: Sinclair Transportation Company has copies of the Closing Books by which Atlantic Richfield divested itself of certain property it acquired as the result of its merger with Sinclair Oil Corporation, a New York corporation. Such property divested did not include the Site or the pipeline at the Site.

Sinclair Transportation Company has the Pipe Line Sale and Purchase Agreement between Williams Pipeline Company and Sinclair Oil Corporation dated September 29th, 1994, by which it acquired the single, eight-inch pipeline it operates at the Site, including the easement acquired through which its pipeline at the Site is located.

Sinclair Transportation Company records of pipeline operations at the site are kept at the Carrollton District Pipeline Office in Carrollton, Missouri.

David Stice is the custodian of the aforementioned records which are located in the Salt Lake City corporate office. Randy Danielson is the custodian of the operating records kept in Carrollton, Missouri.

Sinclair Transportation Company has no knowledge of any records destroyed.

Questions 17: Identify the person to whom EPA should address any future correspondence to you regarding this matter.

Answer: Please address future correspondence to:

Sinclair Transportation Company
550 East South Temple

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Salt Lake City, UT 84102
Attention: David E. Stice, Corporate Attorney

Question 18: If you are withholding any information or documents on the basis of attorney work-product, attorney client privilege or any other privilege, provide a complete privilege log identifying each piece of information or document believed to be privileged, and the basis of the privilege, identify the individuals who made such determinations and the information that each individual specifically reviewed; if only portions of documents are claimed as privileged, provide the document with the privileged portion redacted.

Answer: Sinclair Transportation Company is not withholding any information or documents on the basis of attorney work-product, attorney client privilege or any other privilege.

Question 19: Identify the locations where you have searched for records. Identify any archives where records or documents are located that pertain to matter inquired about in this information. Request and describe briefly the kinds of records that each archive is expected to have and provide the name, address, telephone number and e-mail address of the Point of Contact for permission to access these records or documents.

Answer: Sinclair Transportation Company searched its records at the Carrolton District Office, Carrolton, Missouri and at the corporate office in Salt Lake City, Utah. Its archives, which were also searched, are kept in the Salt Lake City office. The Point of Contact for permission to access these archives would be David E. Stice, Corporate Attorney.

Question 20: If you have any reason to believe that there may be persons able to provide a more detailed or complete response to any questions contained herein, or who may be able to provide additional responsive documents, identify such persons, how they may be contacted, and the additional information or documents that they may have.

Answer: Sinclair Transportation Company believes that the following individual may be able to provide additional responses to the questions contained herein:

Mr. Dennis Dooley, former Area Supervisor for ARCO Pipe Line
Company
501 Canyon Drive
Carrolton, MO 64633

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Sinclair Transportation Company is unaware of any specific information or documents that Mr. Dooley may have.

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EXHIBIT A

Pipeline Sale and Purchase Agreement Between
Williams Pipe Line Company and
Sinclair Pipeline Company
September 29, 1994

Sinclair Answers to EPA Questions
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EXHIBIT B

Right of Way Easement
John & Mary Costello, Grantor
To
The Prairie Oil and Gas Company, Grantee
W/2 SW/4 Section 18, T50N, R29W
Jackson County, MO
September 13, 1904

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EXHIBIT C

Plat of Proposed Buckner Reroute
Sinclair Transportation Company
2008

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EXHIBIT D

1965 Leak Report, Buckner Station
Sinclair Pipe Line Company

LEGAL DEPT.

JUL 25 1939

RECEIVED

Agreement of Sale and Purchase

Between

Atlantic Richfield Company

and

Pasco, Inc.

VOLUME I

Exhibits A—D-5

AGREEMENT OF SALE AND PURCHASE BETWEEN
ATLANTIC RICHFIELD COMPANY

AND

PASCO, INC.

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AGREEMENT OF SALE AND PURCHASE
BETWEEN
ATLANTIC RICHFIELD COMPANY
AND
PASCO, INC.

THIS AGREEMENT, made as of the 29th day of December, 1972, by and between ATLANTIC RICHFIELD COMPANY ("ATLANTIC RICHFIELD"), a Pennsylvania corporation, acting for itself and as the authorized agent of ARCO PIPE LINE COMPANY ("APL"), a Delaware corporation and wholly-owned subsidiary of ATLANTIC RICHFIELD, and PASCO, INC., ("PASCO"), a Delaware corporation, acting for itself and as the authorized agent of PASCO MARKETING, INC. ("PMI"), a Delaware corporation.

WITNESSETH:

WHEREAS, pursuant to that certain Final Judgment, attached hereto as Exhibit A, entered by the United States District Court for the Southern District of New York, in August, 1970, in Cause 69 Civ. 162 styled *United States of America, Plaintiff v. Atlantic Richfield Company and Sinclair Oil Corporation, Defendants* (the "Final Judgment"), ATLANTIC RICHFIELD was ordered and directed to divest itself of certain assets as a going concern hereinafter described, in the States of Colorado, Idaho, Utah, Wyoming, North Dakota, South Dakota, Nebraska, Kansas, Minnesota, Iowa, Missouri, Louisiana (except the metropolitan marketing areas of Shreveport, Monroe and Rayville, Louisiana), Arkansas (except the metropolitan marketing areas of Pine Bluff and Fort Smith, Arkansas), and Oklahoma (except the metropolitan marketing area of Tulsa, Oklahoma); all such states (with the

exception of the metropolitan marketing areas noted) in which ATLANTIC RICHFIELD is to divest shall hereafter be referred to as the "States";

WHEREAS, ATLANTIC RICHFIELD proposes therefore to sell such assets, and is selling them together with certain related and associated assets; and

WHEREAS, PASCO and PMI desire to purchase the Assets as defined below;

NOW, THEREFORE, in consideration of the premises and the covenants and agreements hereinafter set forth, it is agreed as follows:

ARTICLE I. PURCHASE AND SALE OF ASSETS

Subject to the terms and conditions of this Agreement, at Closing (as hereinafter defined) ATLANTIC RICHFIELD will sell, convey, transfer, assign and deliver, or cause to be sold, conveyed, transferred, assigned and delivered as a going concern, to PASCO or its designated subsidiaries and PASCO or such subsidiaries will purchase, acquire and accept at Closing, the assets, operations and contract rights described below (the "Assets"). Except where specifically provided to the contrary, ATLANTIC RICHFIELD represents and warrants that the following specific descriptions and related Exhibits are correct in all material respects as of the date of this Agreement. ATLANTIC RICHFIELD further represents and warrants that the Assets (excluding personal property not used primarily in connection with the Assets) include all assets which were included as of December 31, 1971 in the cost and profit centers covered by the Statement of Revenues and Expenses for the year then ended, except for (i) reductions in

the usual course of business in inventories, receivables and hydrocarbon reserves, (ii) assets retired after December 31, 1971 with aggregate book value not exceeding \$100,000, (iii) assets sold after December 31, 1971 having an aggregate net book value not exceeding \$1,300,000 generating sales proceeds not exceeding \$1,500,000, including sales to APL of \$232,000, and (iv) assets transferred to and from other operating units of ATLANTIC RICHFIELD resulting in a net decrease in net book value not exceeding \$70,000, excluding the assets listed in Exhibit U which were transferred to ATLANTIC RICHFIELD's Commercial Properties Unit and which are owned by ATLANTIC RICHFIELD on the date of this Agreement. The Statement of Revenues and Expenses referred to was delivered to Pasco by a letter dated March 16, 1972.

The following is a more particular description of the Assets.

(A) Retail marketing outlets for branded Sinclair automotive gasoline and bulk plants owned in fee by ATLANTIC RICHFIELD in the States, all as described in Exhibit B attached hereto, and the outlets and plants in the States held under lease by ATLANTIC RICHFIELD, all as described in Exhibits C and D-5 attached hereto; together with ATLANTIC RICHFIELD's interest in all real, personal and mixed property employed primarily in connection with or located at such facilities and properties, including (1) all oil and gasoline storage tanks and piping upon and below the ground, gasoline dispensing pumps, hoists and all other property and equipment of every kind, excepting inventory described in Exhibit P-1 attached hereto; (2) all buildings and structures and other improvements located on said outlets or plants, and (3) all easements and rights appurtenant or related to said properties, whether owned or leased.

(B) Subject to Article XIX (I),

(1) all Distributor Sales Contracts providing for the sale and delivery of branded Sinclair automotive gasoline within the States (Exhibit D-1 attached hereto lists all such contracts and their expiration dates and includes a form of contract which is substantially similar in all material respects [other than variations not in the aggregate material] to the forms employed by ATLANTIC RICHFIELD in such contracts.)

(2) all contracts for the sale and delivery of unbranded automotive gasoline produced at the refinery located at Sinclair, Wyoming, (hereinafter called the "Sinclair Refinery"), (Exhibit D-2 attached hereto lists all such contracts.)

(3) all contracts for the purchase and exchange of automotive gasoline and distillates completely within the States, together with any throughput agreements incident to said exchanges, (Exhibit D-3 attached hereto lists all such contracts.)

(4) all franchise agreements with resellers for the sale and delivery of tires, batteries and accessories (TBA) completely within the States (Exhibit D-4 attached hereto lists all such contracts and includes a form of contract which is substantially similar in all material respects [other than variations not in the aggregate material] to the form employed by ATLANTIC RICHFIELD in such contracts.)

(5) all service station leases to dealers, including "second party" leases from and to dealers, located in the States. (Exhibit D-5 attached hereto lists such "second party" leases and includes forms of contract

which are substantially similar in all material respects [other than variations not in the aggregate material] to the forms employed by ATLANTIC RICHFIELD in such contracts.) ATLANTIC RICHFIELD warrants that the terms of said leases to dealers provide for expiration or termination on proper notice on or before one year plus one day after Closing, except as listed in Exhibit D-6 attached hereto.

(6) all contracts (oral or written) for the sale and delivery of branded Sinclair automotive gasoline to dealers in the States. (Exhibit D-16 attached hereto are the forms of the written contracts which are substantially similar in all material respects [other than variations not in the aggregate material] to the forms employed by ATLANTIC RICHFIELD in such contracts.) ATLANTIC RICHFIELD warrants that by their terms all such dealer contracts provide for expiration or termination on proper notice on or before one year plus one day after Closing, except as listed in Exhibit D-6 attached hereto.

(7) all contracts for the sale and delivery within the States of branded Sinclair automotive gasoline to commercial and consumer accounts in the States. (Exhibit D-7 attached hereto lists all such contracts.)

(8) all contracts for the sale and delivery of petroleum products (other than automotive gasoline contracts which are specifically provided for above) produced at the Sinclair Refinery. (Exhibit D-8 attached hereto lists all such contracts.)

(9) to the extent they relate to ATLANTIC RICHFIELD's use of the Assets, contracts for the purchase, lease or

sale of material, equipment (including automotive), services, signs, or supplies under which ATLANTIC RICHFIELD now purchases, leases or sells such material, equipment (including automotive), services, signs or supplies. (Exhibit D-9 attached hereto lists all such contracts providing for payment in the original amount of more than \$5000 or having a duration subsequent to Effective Date of more than one year.)

(10) construction and maintenance contracts related to the Assets and the related warranties and guarantees of contractors, equipment suppliers and other third parties. (Exhibit D-10 lists all such contracts providing for the payment in the original amount of more than \$2000 or having a duration subsequent to Effective Date of more than one year.)

(11) all contracts for the sale and delivery of natural gas or natural gas liquids produced from the Oil and Gas Producing Properties as defined herein. (Exhibit D-12 hereto lists all such contracts.)

(12) all other contracts relating primarily to the operation of the Assets. (Exhibit D-11 attached hereto lists all such contracts providing for payment in the original amount of more than \$5000 or having a duration subsequent to Effective Date of more than one year.)

Subsequent to Closing, ATLANTIC RICHFIELD shall notify PASCO of any contracts assigned hereunder of the types described in this Article I(B) but not listed in Exhibits D-9, D-10 and D-11 and ATLANTIC RICHFIELD and PASCO shall cooperate in making the legal rights or economic benefits of such contracts available to PASCO.

(C) ATLANTIC RICHFIELD's interest in all terminal facilities in the States leased or owned in fee, in whole or in part, by ATLANTIC RICHFIELD which consist of the following: (1) wholly-owned in fee terminals at Kansas City and Iola, Kansas; Dubuque and Fort Madison, Iowa; Carrollton, New Madrid, and Mexico, Missouri; and Ardmore, and Shawnee, Oklahoma; (2) ATLANTIC RICHFIELD's leasehold interest in the terminals at Westwego, Louisiana; and Dubuque, Iowa; (3) terminals located at Boise and Burley, Idaho; Denver, Colorado; and Lincoln, Nebraska, in which ATLANTIC RICHFIELD has an undivided fee title interest, all as described in Exhibit E attached hereto; together with ATLANTIC RICHFIELD's interest in storage tanks and piping upon and below the ground, gasoline dispensing pumps, hoists, all buildings and structures located on all of the foregoing properties, and all easements and rights appurtenant or related to said properties, whether owned or leased, and all property, real, personal and mixed, located on or used in conjunction with such facilities; excluding, however, all crude oil and product inventories.

(D) The pipeline systems, together with all property, real, personal or mixed, constituting the same or employed in conjunction therewith, described in Exhibit F attached hereto, as follows:

A certain pipeline system known as the Wyoming System consisting of crude gathering and trunk pipelines together with the related wire line communications system and VHF system, excluding crude oil and condensate inventory and the line fill.

An undivided 50% interest in and to a pipeline system known as the Medicine Bow Products Pipeline System con-

sisting of a trunk pipeline extending from Sinclair, Carbon County, Wyoming, to the Denver Terminal in Adams County, Colorado, excluding product inventories as described in Exhibit P-1 and line fill.

Thirty-five hundred shares of the validly issued, fully-paid and non-assessable shares of the issued and outstanding 10,000 shares of capital stock of Pioneer Pipe Line Company, a Delaware corporation, and owner of the Pioneer Pipe Line described in Exhibit F, which thirty-five hundred shares ATLANTIC RICHFIELD represents and warrants to be thirty-five percent (35%) of the outstanding capital stock of Pioneer Pipe Line Company.

(E) The Sinclair Refinery including the golf course and the lots in Sinclair, Wyoming, more particularly described in Exhibits G and V hereto, including without limitation, the land, plant storage and office facilities, tankage, movable equipment, piping, catalyst, spare parts, stores and supplies, and other structures and improvements and all other property, real, personal and mixed, located on the site of said refinery or employed in connection therewith, excluding all crude oil and product inventories.

(F) ATLANTIC RICHFIELD's right, title and interest in former Sinclair oil and gas producing properties (together with buildings on such properties) and associated equipment and natural gas plants, located at the following fields situated in the State of Wyoming:

- (1) Bailey Dome
- (2) Crooks Gap
- (3) Happy Springs
- (4) Lost Soldier
- (5) Mahoney Dome

- (6) Big Sand Draw
- (7) Wertz
- (8) North Sand Draw

consisting, more particularly, of all ATLANTIC RICHFIELD's properties and interests set forth in Exhibit H attached hereto and in Section 1 of Exhibit L attached hereto (all such properties and interests hereinafter called the "Oil and Gas Producing Properties"); and all property of every kind, real, personal or mixed, located on or employed by ATLANTIC RICHFIELD in connection with such properties and interests, excluding, however, all crude oil inventory and product inventories.

(G) ALL ATLANTIC RICHFIELD's right, title and interest in the United States in and to the trademarks (which term shall include service marks) listed in Exhibit I-1, including any and all registrations thereof in the United States together with the goodwill associated therewith, subject to BP Oil Corporation's present license to use certain of said trademarks in certain Northeastern and Southeastern states of the United States (no one of such states is included in the States). It is understood by Pasco that certain of the registrations of the marks set forth in Exhibit I-1 have been cancelled or have expired, as indicated therein, and that ATLANTIC RICHFIELD may have no right, title or interest in the corresponding marks.

ATLANTIC RICHFIELD reserves unto itself and its affiliates the non-assignable right to apply these trademarks to goods manufactured in the United States solely for purposes of export only (with no right of reimportation) to each foreign country where the foreign trademarks have not been as-

signed to PASCO, and to sell goods in the United States under these trademarks solely for purposes of export only (with no right of reimportation) to each such foreign country where the foreign trademarks have not been assigned to PASCO, and PASCO agrees that it will execute any agreements necessary to accomplish this reservation.

PASCO agrees that it will execute all agreements and consents necessary for the maintenance and protection by ATLANTIC RICHFIELD or its affiliates of any rights ATLANTIC RICHFIELD or its affiliates have, or may have in the future, in these trademarks outside the United States.

ATLANTIC RICHFIELD agrees that it will execute all agreements and consents necessary for the maintenance and protection by PASCO of any rights PASCO has, or may have in the future, in these trademarks and registrations thereof within the United States and in countries wherein trademarks or registrations are being transferred to PASCO pursuant to this Agreement.

PASCO agrees to grant and hereby grants to ATLANTIC RICHFIELD and its affiliates a non-exclusive, royalty-free license to use in the United States the trademarks listed in said Exhibit I-1 on the products set forth in the registrations thereof for a period of two (2) years from Closing, but only so long as, during said period of two (2) years, ATLANTIC RICHFIELD maintains no less than the same standards of quality for the goods and services marked by said trademarks in the United States as it maintained at Closing.

ATLANTIC RICHFIELD agrees to grant and hereby grants to PASCO and its affiliates a non-exclusive, royalty-free license

to use in the United States the trademarks listed in Exhibit I-2, for a period of two (2) years from Closing, but only so long as, during said period of two (2) years, Pasco maintains no less than the same standards of quality for the goods and services marked by said trademarks in the United States as ATLANTIC RICHFIELD maintained at Closing. In addition, ATLANTIC RICHFIELD agrees that any trademarks which were acquired from Sinclair Oil Corporation and which acquired marks it now owns and which acquired marks are in substantial use at Closing in connection with the Assets for the products or services set forth in the registrations thereof will be considered as included in Exhibit I-2 to the same extent as if specifically set forth therein.

ATLANTIC RICHFIELD hereby agrees to execute or cause to be executed, as soon as possible after Closing, subject to provisions set forth hereinafter, documents to transfer to Pasco its right, title and interest in foreign countries, except in countries listed in Exhibit I-3, in and to trademarks, trademark registrations and applications, if any, corresponding to marks listed in Exhibit I-1. In addition, ATLANTIC RICHFIELD hereby agrees to execute or cause to be executed, as soon as possible after Closing, subject to provisions set forth hereinafter, documents to transfer to Pasco its right, title and interest in Canada, if any, in and to the trademarks, trademark registrations and applications corresponding to marks set forth in Exhibit I-1.

The documents will be prepared by ATLANTIC RICHFIELD at Pasco's expense, and all costs of transfer, including but not limited to attorney's fees and recording costs (including costs to record any document to complete the chain of title to show ATLANTIC RICHFIELD as current owner of the trade-

mark, trademark registration or application) will be at PASCO's expense. It is understood and agreed that ATLANTIC RICHFIELD is not conveying any part of its goodwill of the business associated with the foreign trademarks, registrations and applications. The assignments of such foreign trademarks, registrations and applications shall be subject to any existing agreements pertaining to said trademarks, registrations and applications.

ATLANTIC RICHFIELD makes no warranty as to the recordability or validity of the assignment of any foreign trademark, trademark registration or application. If the recording, assignment or validity of any foreign trademark, trademark registration or application is prevented or affected by any requirement of any country to transfer the goodwill associated with or property associated with a trademark, ATLANTIC RICHFIELD agrees to cancel the existing registrations when requested to do so by PASCO, at the expense of PASCO, and assist PASCO in obtaining new registrations in PASCO's name and also at PASCO's expense.

ATLANTIC RICHFIELD agrees to notify PASCO should it decide at any time in the future to assign or grant an exclusive license under any trademarks, registrations or applications corresponding to the marks listed in Exhibit I-1, in any country listed in Exhibit I-3. Such notification is to be given by ATLANTIC RICHFIELD to PASCO at least thirty (30) days prior to the execution of any agreement pertaining to such assignment or grant, and PASCO shall be given during such period a good-faith opportunity to negotiate for such assignment or grant.

ATLANTIC RICHFIELD agrees to use its best efforts to inform PASCO should it decide to abandon, cancel or intentionally

not renew any registration of a mark, in a foreign country, which corresponds to a mark set forth in Exhibit I-1.

ATLANTIC RICHFIELD agrees to abandon its use of "Sinclair" as a trade name in foreign countries, except in those countries listed in Exhibit I-3. ATLANTIC RICHFIELD shall notify PASCO prior to any abandonment of any such trade name. ATLANTIC RICHFIELD shall execute such documents or consents as are necessary to assist PASCO in obtaining rights in PASCO's name and at PASCO's expense to any such names so abandoned.

The term "Affiliates" as used in this Article I(G) shall mean and include any business entity that is owned or controlled by ATLANTIC RICHFIELD or PASCO, as the case may be, at the time in question. For the purpose of this definition, ownership, directly or indirectly, of fifty percent (50%) or more of the capital stock of a corporation having the right to vote for directors, or of fifty percent (50%) or more of the ownership interest in non-corporate business entities shall constitute ownership or control thereof.

(H) Rights under patents and proprietary technical information:

(1) ATLANTIC RICHFIELD grants to PASCO on the Effective Date a paid-up, non-exclusive, irrevocable, 65,000 barrel per calendar day (annual average daily charge stock) crude throughput license for the Sinclair Refinery under (a) ATLANTIC RICHFIELD's United States patents and applications listed in Exhibit S, Section 1, and (b) ATLANTIC RICHFIELD's proprietary technical information, not included under other licenses granted in this Article I(H) which is necessary to continue to operate the

Sinclair Refinery in substantially the same commercial manner as it was operated during 1972 or which is necessary to continue to operate after commercial alteration, enlargement or modification of said 1972 manner of operation up to a total of 65,000 barrels per calendar day, and which can be licensed without accounting to others.

(2) ATLANTIC RICHFIELD will obtain from Engelhard Industries, Ltd. for PASCO within thirty (30) days after the Effective Date a paid-up, non-exclusive, irrevocable, 10,000 barrel per day license under Engelhard and ATLANTIC RICHFIELD's United States patents and applications and proprietary technical information for the reforming process being commercially practiced at the Sinclair Refinery during 1972. The effective date of this license shall be the Effective Date.

(3) ATLANTIC RICHFIELD grants to PASCO on the Effective Date a paid-up, non-exclusive, irrevocable license to manufacture and sell fuel products under United States Patent No. 3,481,717 and ATLANTIC RICHFIELD's associated proprietary technical information. This license is limited to sale of such fuel products in the States.

(4) ATLANTIC RICHFIELD grants to PASCO on the Effective Date a paid-up, non-exclusive, irrevocable license to use on the Oil and Gas Producing Properties ATLANTIC RICHFIELD's United States patents and applications listed in Exhibit S, Section 4, and proprietary technical information that relates to exploration, drilling and production processes which are (a) of a continuing nature and (b) in commercial operation on said Producing Properties in 1972.

(5) The patents and patent applications licensed in this Article I(H) are limited to those which the grantor has filed in the United States Patent Office on or before Effective Date. The proprietary technical information licensed in this Article I(H) is limited to that which grantor owns prior to Effective Date.

(I) The pumps, tanks and marketing equipment, including office furniture and office equipment, owned by ATLANTIC RICHFIELD and related to its use of the Assets, except as set forth in Article II and Exhibit J attached hereto.

(J) The trucks, field vehicles, truck tanks and automobiles owned by ATLANTIC RICHFIELD and related to its use of the Assets, except as set forth in Article II.

(K) Subject to Article XIX(I) hereof, other leases of buildings in the States related to the use of the Assets, together with miscellaneous personal property owned or leased by ATLANTIC RICHFIELD and located therein and all rights to acquire such ownership or leasehold interests, except as set forth in Article II and Exhibit J attached hereto. (Exhibit D-13 hereto lists all such leases.)

(L) All books and records wherever located which relate to the Assets, including geological and geophysical reports and data relating to the Oil and Gas Producing Properties. With respect to such books and records and data which also contain information not related to the Assets, the parties will cooperate to the end that PASCO shall obtain the related information without the unrelated information. ATLANTIC RICHFIELD will retain copies of such books, records and data as are necessary to the operations of ATLANTIC RICHFIELD.

(M) Material and supplies inventory.

(N) All of ATLANTIC RICHFIELD's right, title and interest in and to the Sinclair Oil Corporation, a Delaware corporation.

(O) All of ATLANTIC RICHFIELD's right, title and interest in the United States in and to the trade name "Sinclair".

(P) All properties of ATLANTIC RICHFIELD of the type described in the foregoing paragraphs of this Article I in the States which had been transferred to other divisions or subsidiaries of ATLANTIC RICHFIELD after December 31, 1971, and were not assets included in the assets referred to in Article I(ii), (iii) and (iv). Exhibit U is a list of such properties.

(Q) The Oil and Gas Non-Producing leases described in Exhibit W.

Nothing in this Agreement shall be construed to create any rights in third parties or to indicate that Pasco is assuming any liabilities of ATLANTIC RICHFIELD not specifically referred to herein.

ARTICLE II. EXCLUDED ASSETS

Notwithstanding Article I, ATLANTIC RICHFIELD shall retain the following properties and rights possessed by it at Closing:

(A) Inventories and receivables, except those purchased by Pasco at Closing pursuant to Article VIII hereof and except materials and supplies described in Article I(M).

(B) All but four (4) of the eleven (11) automobiles owned by ATLANTIC RICHFIELD and located at Casper,

PIPELINE SALE AND PURCHASE AGREEMENT

BETWEEN

WILLIAMS PIPE LINE COMPANY

AND

SINCLAIR PIPELINE COMPANY

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PIPE LINE SALE AND PURCHASE AGREEMENT

This Pipeline Sale and Purchase Agreement (this "Agreement") is made and entered into on this 29th day of September, 1994, between Williams Pipe Line Company, a Delaware corporation ("WPL"), and Sinclair Oil Corporation, a Wyoming Corporation, acting by and through Sinclair Pipeline Company, a division thereof ("Buyer"), (WPL and Buyer are sometimes referred to herein individually as a "Party" and collectively as the "Parties").

RECITAL

WPL desires to sell to Buyer, and Buyer desires to purchase from WPL, certain pipelines and related assets on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE 1 DESCRIPTION OF SALE PROPERTY

1.1 **Description of Sale Property.** The property that is the subject of this Agreement (the "Sale Property") shall consist of the Pipeline System (as hereinafter defined) and the Additional Property (as hereinafter defined), but shall exclude the Excluded Property (as hereinafter defined).

1.2 **Description of Pipeline System.**

- (a) As used herein, the term "Pipeline System" shall mean the assets and properties described in clause (b) immediately below, all of which comprise a part of that certain refined petroleum products pipeline system extending from the vicinity of Neodesha, Kansas, to the vicinity of Ft. Madison, Iowa, including a spur to Mexico, Missouri, as generally described in the narrative description contained in Exhibit A.
- (b) The specific assets and properties comprising the Pipeline System are the following:
 - (i) the refined petroleum pipeline defined in Exhibit A;
 - (ii) the fee property real estate described in Exhibit B;

- (iii) the surface leases, easements, rights of way, permits, licenses and other grants described in Exhibit C (collectively, the "Rights of Way");
 - (iv) the contracts, agreements and instruments listed in Exhibit D; and
 - (v) the personal property and equipment described in Exhibit E.
- 1.3 **Description of Additional Property.** As used herein, the term "Additional Property" shall mean the equipment and other personal property described in Exhibit F.
- 1.4 **Description of Excluded Property.** As used herein, the term "Excluded Property" shall mean the real and personal property described on Exhibit G.

ARTICLE 2

PURCHASE AND SALE OF SALE PROPERTY

- 2.1 **WPL's Purchase of Arco Assets.** On the Closing Date (as hereinafter defined) WPL will purchase from ARCO Pipe Line Company ("APL") a portion of APL's refined products pipeline system which includes the Sale Property (the "WPL Purchase"). The Closing of such purchase by WPL from APL shall be a condition precedent to the transaction contemplated herein.
- 2.2 **Sale and Delivery of Sale Property.** Subject to Section 2.1 and upon the terms and subject to the conditions set forth in this Agreement, on the Closing Date (as hereinafter defined) provided for in Section 2.4, WPL shall sell, transfer, convey, assign and deliver to Buyer, and Buyer shall purchase, acquire and accept from WPL, effective simultaneously with the effectiveness of the WPL Purchase, all of WPL's right, title and interest in and to the Sale Property.
- 2.3 **Consideration.** Upon the terms and subject to the conditions set forth in this Agreement, in consideration of the aforesaid sale, conveyance, assignment, transfer and delivery of WPL's interest in and to the Sale Property, Buyer shall pay to WPL the total amount of \$3,000,000 (the "Purchase Price"). Buyer shall, on the Closing Date, deliver or cause to be delivered, as payment for the aforesaid sale, conveyance, assignment, transfer and delivery, immediately available funds by Federal Reserve wire transfer in the amount of the Purchase Price.

2.4 **Closing.** The closing of the sale and purchase contemplated by this Agreement (the "Closing") shall take place at the offices of WPL located in Tulsa, Oklahoma, on September 29, 1994. The Closing will become effective as of the "Closing Date"; 12:00 noon, Central Time, September 30, 1994.

2.5 **Deliveries at Closing.**

- (a) At the Closing, WPL shall deliver, or cause to be delivered, to Buyer the following:
 - (i) a Deed, Conveyance, Assignment and Bill of Sale in substantially the form attached hereto as Exhibit 2.5(a)(i) conveying the Sale Property to Buyer (the "Conveyance Agreement");
 - (ii) a certified copy of the resolutions of the Board of Directors of WPL by which the disposition of the Sale Property was authorized;
 - (iii) a Storage Tank Capacity Lease in substantially the form attached hereto as Exhibit 2.5(a)(iii), pursuant to which WPL shall lease to Buyer, and Buyer shall lease from WPL, tanks No. 3124 and 3123 at APL's Kansas City Station and tank No. 3002 at APL's Kenneth Station, all of which are owned by APL but leased by APL to WPL;
 - (iv) A Pipeline Capacity Lease and Operating Agreement in substantially the form attached hereto as Exhibit 2.5(a)(iv), pursuant to which WPL shall lease to Buyer and Buyer shall lease from WPL pipeline capacity between Tulsa Origins and Buyer's Argentine, Kansas Terminal;
 - (v) A Pipeline Capacity Lease and Operating Agreement in substantially the form attached hereto as Exhibit 2.5(a)(v), pursuant to which WPL shall lease to Buyer and Buyer shall lease from WPL pipeline capacity between Tulsa Origins and APL's Kenneth, Kansas Tank Farm; and
 - (vi) any other agreements documents, instruments and writings required to be delivered by WPL to Buyer at or prior to the Closing pursuant to this Agreement.
- (b) At the Closing, Buyer will deliver or cause to be delivered to WPL the following:
 - (i) the Purchase Price;

- (ii) a certified copy of the resolutions of the Board of Directors of Buyer by which the acquisition of the Sale Property was authorized;
- (iii) a Storage Tank Capacity Lease in substantially the form attached hereto as Exhibit 2.5(a)(iii), pursuant to which WPL shall lease to Buyer, and Buyer shall lease from WPL, the tanks owned by APL but lease by APL to WPL and located at Kenneth Station and Kansas City Station;
- (iv) A Pipeline Capacity Lease and Operating Agreement in substantially the form attached hereto as Exhibit 2.5(a)(iv), pursuant to which WPL shall lease to Buyer and Buyer shall lease from WPL pipeline capacity between Tulsa Origins and Buyer's Argentine, Kansas Terminal;
- (v) A Pipeline Capacity Lease and Operating Agreement in substantially the form attached hereto as Exhibit 2.5(a)(v), pursuant to which WPL shall lease to Buyer and Buyer shall lease from WPL pipeline capacity between Tulsa Origins and APL's Kenneth, Kansas Tank Farm; and
- (vi) any other agreements, documents, instruments and writings required to be delivered by Buyer to WPL at or prior to the Closing pursuant to this Agreement.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF WPL

WPL hereby represents and warrants to Buyer as follows:

- 3.1 **Organization and Authority.** WPL is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, is duly qualified to transact business in the States of Texas, Oklahoma, Kansas, Missouri, Iowa and Illinois and has full corporate power and authority to enter into this Agreement and to carry out the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby by WPL have been duly and validly authorized by all necessary corporate action of WPL.
- 3.2 **Execution and Effect.** This Agreement has been (and at Closing each other agreement that is required by this Agreement to be executed and delivered by WPL at Closing will be) duly and validly executed and delivered by WPL, and assuming the due authorization, execution and delivery of this Agreement (and such other

agreements) by Buyer, constitutes (or at Closing will constitute) a valid, binding and enforceable obligation of WPL; subject, however, to the effect of bankruptcy, insolvency, reorganization, moratorium and similar laws from time to time in effect relating to the rights and remedies of creditors, as well as to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

3.3 No Violation. Neither the execution and delivery of this Agreement by WPL nor the consummation by WPL of the transactions contemplated hereby

- (a) violates any provision of the Certificate of Incorporation or Bylaws of WPL,
- (b) constitutes a material breach of or default under (or an event that, with the giving of notice or passage of time or both, would constitute a material breach of or default under), or will result in the termination of, or accelerate the performance required by, or result in the creation or imposition of any security interest, lien, charge or other encumbrance upon WPL's interest in the Sale Property under any Material Contract (as defined below) to which WPL is a party or by which WPL or any of its assets is bound (provided, however, that this subsection 3.3(b) shall not be construed as constituting a representation or warranty as to either (i) whether or not the consent of any third party is required to assign any of the Sale Property or (ii) the effect of failing to obtain any such required consent),
- (c) violates (i) in any material respect any statute, law, regulation or rule, or (ii) any judgment, decree, order, writ or injunction of any court or governmental authority applicable to WPL or the Sale Property, or
- (d) except for such consent and approval of, or filings with, governmental authorities as may be customarily made in due course following the closing of transactions of the type contemplated hereunder, require the consent or approval of, or the filing of any notice or other document with, any governmental authority with jurisdiction over the Sale Property, WPL or the transactions contemplated hereunder.

For purposes of this Section 3.3(b) and Section 4.3(b), the term "Material Contract" shall mean any contract, commitment, understanding, agreement or arrangement that either (i) provides for the payment following the Closing Date by WPL of more than \$50,000 or (ii) has a term that extends beyond the first anniversary of the Closing Date.

3.4 **Title to Fee Property.** Except for any claims or encumbrances of any person or entity that do not arise by, through or under WPL or APL, WPL has good and indefeasible title to all real estate identified in Exhibit B, free and clear of all liens, charges, mortgages, security interests, pledges or other encumbrances of any nature whatsoever except for the following (collectively, the "Permitted Encumbrances"):

- (a) Any state of facts that an accurate survey would show, including any easements, rights of way or encroachments arising other than pursuant to an instrument duly filed of record;
- (b) Restrictions, easements, rights of way, exceptions, reservations, covenants, terms and conditions contained in prior instruments of record in the chain of title to such property or otherwise validly burdening such property;
- (c) All federal, state or local laws, rules, orders, ordinances or regulations that govern or apply to the ownership, operation or transfer of such property;
- (d) Any lien for taxes that are not yet due and payable;
- (e) Usual exceptions of a reputable title insurance company operating in the area where the property in question is located;
- (f) Materialmen's, mechanic's, repairmen's, employees', contractors', tax and other similar liens or charges arising in the ordinary course of business for obligations that are not delinquent or that will be paid and discharged in the ordinary course of business or, if delinquent, that are being contested in good faith by appropriate action;
- (g) All required third-party or governmental consents to the assignment of the Sale Property;
- (h) All rights reserved to or vested in any governmental, statutorial or public authority to control or regulate any of the real property interests constituting a part of the Sale Property;
- (i) Any matters that are waived by Buyer or otherwise released or satisfied by WPL on or prior to the Closing Date;
- (j) Those encumbrances that have been disclosed on Exhibit 3.4; and
- (k) Other minor defects (i.e., any encumbrances affecting the property that individually or in the aggregate are not such as to adversely affect the operation of the Sale Property by an amount in excess of \$5,000).

- 3.5 **Title to Rights of Way.** Except for any claims or encumbrances of any person or entity that do not arise by, through or under WPL or APL, WPL has, or will have as of the Closing Date, good and indefeasible title to the Rights of Way, free and clear of all liens, charges, mortgages, security interests, pledges or other encumbrances of any nature whatsoever, except for the Permitted Encumbrances.
- 3.6 **Title to Personal Property.** Except for any claims or encumbrances of any person or entity that do not arise by, through or under WPL or APL, WPL has, or will have as of the Closing Date, good and indefeasible title to all personal property included in the Sale Property, free and clear of all liens, claims, charges, mortgages, security interests, pledges or other encumbrances of any nature whatsoever, except for the Permitted Encumbrances.
- 3.7 **Litigation.** Except as set forth in Exhibit 3.7 or otherwise disclosed by WPL in writing prior to the execution hereof, (a) there are no judgments, orders, writs or injunctions of any court or governmental authority or other regulatory or administrative agency, commission or arbitration panel, domestic or foreign, presently in effect or pending against WPL or APL, as represented to WPL by APL, with respect to its interest in the Sale Property, and (b) there are no pending or threatened claims, actions, suits, proceedings, or investigations by or before any court, governmental authority or other regulatory or administrative agency, commission or arbitration panel against WPL or APL, as represented to WPL by APL, with respect to its interest in the Sale Property and with respect to which WPL or APL, as represented to WPL by APL, has received written notice of claims, actions, suits, proceedings or investigations that are material.
- 3.8 **Bulk Sales.** The Sale Property does not constitute all or substantially all of the assets of WPL.
- 3.9 **Preferential Purchase Rights.** There are no preferential purchase rights, options, or other rights held by any person or entity not a party to this Agreement to purchase or acquire any interest in the Sale Property, in whole or in part, as a result of the transactions contemplated by this Agreement.
- 3.10 **APL Employees.** WPL has not entered into any employment contract or promised to enter into any employment contract with any person in respect of the Sale Property that will be enforceable against Buyer and that cannot be terminated by Buyer without payment of penalty or liquidated damages at or prior to the Closing Date, or that applies to any time period after the Closing Date.

- 3.11 **Environmental Matters.** Except as disclosed by WPL in writing prior to the execution of this Agreement or as disclosed in Exhibit 3.11, WPL has not received any notice that asserts that the Sale Property is not in compliance with applicable Environmental Requirements.
- 3.12 **Condemnation Actions and Assessments.** WPL has not received notice of any pending or threatened condemnation actions or special assessments of any nature with respect to the Sale Property.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer hereby represents and warrants to WPL as follows:

- 4.1 **Organization and Authority.** Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of Wyoming, is (or on or prior to the Closing will be) duly qualified to transact business in the States of Oklahoma, Kansas, Missouri, and Iowa, and has full corporate power and authority to enter into this Agreement and to carry out the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby by Buyer have been duly and validly authorized by all necessary action of Buyer.
- 4.2 **Execution and Effect.** This Agreement has been (and at Closing each other agreement that is required by this Agreement to be executed and delivered by Buyer at Closing will be) duly and validly executed and delivered by Buyer, and, assuming the due authorization, execution and delivery of this Agreement (and such other agreements) by WPL, constitutes (or at Closing will constitute a valid, binding, and enforceable obligation of Buyer; subject, however, to the effect of bankruptcy, insolvency, reorganization, moratorium and similar laws from time to time in effect relating to the rights and remedies of creditors, as well as to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).
- 4.3 **No Violation.** Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby

- (a) violates any provision of the Certificate of Incorporation or Bylaws of Buyer,
- (b) constitutes a material breach of or default under (or an event that, with the giving of notice or passage of time or both, would constitute a material breach of or default under), or will result in the termination of, or accelerate the performance required by, or result in the creation or imposition of any security interest, lien, charge or other encumbrance upon any of the assets of Buyer under any Material Contract to which Buyer is a party or by which Buyer or any of its assets is bound,
- (c) violates (i) in any material respect any statute, law, regulation or rule, or (ii) any judgment, decree, order, writ or injunction of any court or governmental authority applicable to Buyer or any of its assets, or
- (d) except for such consent and approval of, or filings with, governmental authorities as may be customarily made in due course following the closing of transactions of the type contemplated hereunder, require the consent or approval of, or the filing of any notice or other document with, any governmental authority with jurisdiction over the Sale Property, Buyer or the transactions contemplated hereunder.

4.4 **Sufficiency of Funds.** Buyer has or has access to funds sufficient to consummate the transactions contemplated hereby.

ARTICLE 5 OTHER AGREEMENTS AND OBLIGATIONS OF THE PARTIES

5.1 **Transfer of Custody of Inventory; Agreement Regarding Certain Tariff Revenues.**

- (a) It is understood by the Parties that WPL will have, as of the Closing Date, custody of an inventory of refined petroleum products contained in the Sale Property (hereinafter called "Inventory"), which Inventory is not the property of WPL, but is the property of WPL's shippers. The Inventory is specifically excluded from this sale, except as to the transfer of its custody from WPL to Buyer. On the Closing Date, the quality of such Inventory shall be in compliance with APL's existing product specifications, WPL will transfer custody of the Inventory to Buyer, and Buyer will issue to WPL the necessary documentation to acknowledge receipt of the Inventory. The quantity and type of the Inventory, which is the subject of this change of custody, shall be determined and documented as set forth in Exhibit 5.1(a). Within seven

business days following the completion of such Inventory transfer, WPL shall provide Buyer with a statement certifying the portions of the Inventory due each shipper as of the Closing Date (as to each shipper, its "Shipper Volume").

- (b) As of the Closing Date, the aggregate of all Shipper Volumes shall equal the total quantity of Inventory, and Buyer shall assume responsibility for the proper handling and delivery of the Inventory on behalf of and in accordance with the direction of the respective shippers. Upon completion of the delivery of the Inventory to a shipper, Buyer shall provide WPL with written confirmation of such fact, together with a statement that shows the portion of the Inventory delivered to such shipper, including any product contained in APL's Kenneth tankage as of the Closing Date.
- (c) Within thirty (30) days following the Closing Date, WPL will cause the segment of the Pipeline System between Neodesha, Kansas, and Kenneth, Kansas, to be purged and laid down with nitrogen.
- (d) WPL and Buyer agree that the Sale Property to be transferred by WPL to Buyer on the Closing Date shall include the contents, including product, of Tank No. 12 located at the Carrollton, Missouri Station. In connection therewith, WPL agrees that the Purchase Price shall be reduced by an amount equal to \$30,000.

5.2 **Best Efforts.** Upon the terms and subject to the conditions set forth in this Agreement, each of the Parties agrees to use its best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable to cause the conditions to the Parties' respective obligations hereunder to be satisfied and to consummate and make effective the transactions contemplated by this Agreement and shall use its best efforts to obtain promptly all waivers, permits, consents and approvals of, and to effect all registrations, filings and notices with or to, third parties or governmental or public bodies or authorities which are necessary or desirable in connection with the transactions contemplated by this Agreement, provided, however, that WPL shall not be required to make any expenditure or commitment therefor in order to obtain any such waiver, permit, consent or approval in excess of (a) \$5,000 with respect to any individual waiver, permit, consent or approval or (b) \$25,000 with respect to all waivers, permits, consents or approvals in the aggregate. To the extent it is reasonable to do so under the circumstances (taking into account any applicable time constraints and the materiality of the particular notice) all notices to third parties shall be jointly coordinated between the Parties.

- 5.3 **Assignments Requiring Consents.** To the extent that the assignment of any rights of WPL under leases, easements, rights of way, permits, including permits relating to environmental laws or any occupational health or safety laws, licenses, franchises or any other assets comprising a part of the Sale Property shall require the consent of any other entity, WPL shall, subject to the terms of Section 5.2, use reasonable commercial efforts to obtain the required consent for a reasonable time following the Closing Date. The refusal of any of said other entities to give such consent or the fact that the attempted assignment of any rights by WPL is ineffective shall not constitute a breach of any of the representations, warranties or covenants of WPL hereunder, including, without limitation, the representation and warranty in Section 3.3(b), provided that WPL has complied with Section 5.2 above and, further, has assisted Buyer in making or seeking alternative arrangements. Buyer also agrees that, except as may be provided for in this Agreement, it shall have no claim against WPL based upon any failure to obtain a consent necessary to assign any portion of the Sale Property. Buyer shall cooperate with and assist WPL in obtaining such consents, but shall in no case be liable for any payments made by WPL or agreed to be made by WPL (either directly or through the modification of an existing arrangement) in exchange for the granting of such consent, in any such case without the prior written consent of Buyer.
- 5.4 **Publicity.** Each of the Parties shall consult with the other in advance of issuing or permitting any of its affiliates or representatives to issue any press release or otherwise make any public statement with respect to the transactions contemplated hereby, including the signing of this Agreement, and shall obtain the prior written approval of the other Party as to the content of any such disclosure, which approval shall not be unreasonably withheld. This provision shall not apply, however, to any announcement or written statement that, upon advice of counsel, is required to be made by law or the rules of any national stock exchange, except that any Party required to make such announcement or statement shall, whenever practicable, consult with the other Party concerning the timing and content of such announcement or statement before it is made.
- 5.5 **Confidentiality.**
- (a) Any information concerning the terms of the transactions contemplated hereunder and any information concerning the Sale Property, whether written or oral, furnished or made available to Buyer by officers, directors, employees and/or agents of WPL (collectively referred to as the "Confidential Information") will be used solely for the purpose of evaluating the transaction contemplated by this Agreement and, unless and until Closing occurs, such information will be kept confidential by Buyer and its advisors, except that Buyer may disclose the Confidential Information or portions thereof to those

of its directors, officers, employees and representatives of its advisors (the persons to whom such disclosure is permissible being collectively called "Representatives") who need to know such information for the purpose of evaluating Buyer's acquisition of the Sale Property (it being understood that those Representatives will be informed of the confidential nature of the Confidential Information and will agree to be bound by this Agreement and not to disclose such information to any other individual). Buyer shall be responsible for any breach of this Confidentiality provision by its Representatives. In the event that Buyer or any of its Representatives become legally compelled (by deposition, interrogatory, request for documents, subpoena, civil investigative demand or similar process) to disclose any of the Confidential Information, Buyer shall provide WPL with prompt prior written notice of such requirement so that WPL may seek a protective order or other appropriate remedy and/or waive compliance with the terms of this Section 5.5. In the event that such protective order or other remedy is not obtained, or that WPL does not waive compliance with the provisions hereof, Buyer agrees to furnish only that portion of the Confidential Information which Buyer is advised by written opinion of legal counsel (in-house or outside) is required as a matter of law and to exercise best efforts to obtain assurance that confidential treatment will be accorded such Confidential Information.

- (b) The term "Confidential Information" does not include any information which (i) at the time of disclosure or thereafter is generally available to and known by the public (other than as a result of a disclosure by Buyer or its Representatives), (ii) was available to Buyer on a nonconfidential basis from a source other than WPL, or (iii) has been independently acquired or developed by Buyer without violating any of its obligations under this Agreement.
- (c) If the transaction contemplated by this Agreement does not close, Buyer will promptly return to WPL all copies of the Confidential Information in its possession or in the possession of its Representatives, and Buyer will destroy all copies of any analysis, compilations, studies or other documents prepared by its or for its use containing or reflecting any Confidential Information.
- (d) Buyer understands and acknowledges that WPL is not making any representation or warranty, express or implied, as to the accuracy or completeness of the Confidential Information, and WPL and any of its respective officers, directors, employees, stockholders, owners, affiliates or agents shall not have any liability to Buyer or any other person resulting from its use of or reliance on the Confidential Information. Only those representations or warranties that are made in this Agreement, subject to such limitations and restrictions as specified in this Agreement, will have any legal effect.

- 5.6 **Notice Regarding Representations and Warranties.** Prior to the Closing Date, WPL and Buyer shall each promptly notify the other of any matter it becomes aware of that would cause either Party's representations and warranties to be untrue in any material respect as of the Closing Date.

ARTICLE 6

CONDITIONS TO OBLIGATIONS OF BUYER

The obligations of Buyer to effect the transactions contemplated by this Agreement on the Closing Date shall be subject to the fulfillment, prior to or at the Closing, of each of the conditions set forth in this Article 6 (unless waived in writing by Buyer). Buyer acknowledges and agrees that notwithstanding anything contained in this Agreement to the contrary, in no event shall Buyer's obligation to consummate the transactions provided for herein be subject to the condition that Buyer receive financing with respect to all or any part of the Purchase Price.

- 6.1 **Representations and Warranties True.** All representations and warranties made by WPL in this Agreement shall have been true in all material respects when made and shall be true in all material respects at and as of the Closing Date as though such representations and warranties were made at and as of such date, except for any changes contemplated by the terms of this Agreement or consented to by Buyer in writing.
- 6.2 **Performance.** WPL shall have performed and complied with, in all material respects, all agreements, obligations, covenants and conditions required by this Agreement to be performed or complied with by it on or prior to the Closing Date.
- 6.3 **Litigation.** No action or proceeding shall be pending or threatened against APL, WPL or Buyer in any court of law or by any administrative or governmental agency on the Closing Date, wherein an unfavorable judgment, decree or order could prevent, make unlawful or materially affect the consummation of the transactions contemplated by this Agreement or materially impair Buyer's operation of the Pipeline System as a products pipeline.

ARTICLE 7
CONDITIONS TO WPL'S OBLIGATIONS

The obligations of WPL to effect the transactions contemplated by this Agreement on the Closing Date shall be subject to the fulfillment, prior to or at the Closing, of each of the following conditions (unless waived in writing by WPL):

- 7.1 **Representations and Warranties True.** All representations and warranties of Buyer contained herein shall have been true in all material respects when made and shall be true in all material respects at and as of the Closing Date as though such representations and warranties were made at and as of such date, except for any changes contemplated by the terms of this Agreement or consented to by WPL in writing.
- 7.2 **Performance.** Buyer shall have performed and complied with, in all material respects, all agreements, obligations, covenants and conditions required by this Agreement to be performed or complied with by it on or prior to the Closing Date.
- 7.3 **Litigation.** No action or proceeding shall be pending or threatened against APL, WPL or Buyer or in any court of law or by any administrative or governmental agency on the Closing Date, wherein an unfavorable judgment, decree or order could prevent, make unlawful or materially affect consummation of the transactions contemplated by this Agreement.

ARTICLE 8
BUYER'S ASSUMPTION OF RIGHTS AND OBLIGATIONS

- 8.1 **Assumption of Obligations.** Without limiting Buyer's obligations under the indemnification provisions of this Agreement, from and after the Closing Date, Buyer agrees to pay, perform and discharge all liabilities and obligations under the contracts, agreements and instruments listed on Exhibits B, C and D, to the extent that such obligations accrue or arise out of or in respect of the Sale Property from and after the Closing Date.
- 8.2 **Further Assurances Regarding Assumption of Liabilities.** Upon the request of WPL, Buyer agrees to execute and deliver specific assumption agreements with respect to the obligations and liabilities assumed by Buyer pursuant to Section 8.1.

ARTICLE 9 EMPLOYEES

- 9.1 **Employees.** With respect to APL employees employed by Buyer, Buyer shall indemnify, defend and hold WPL harmless from and against liability under any pension plan or benefit policy or arrangement maintained or sponsored by Buyer arising out of events and conditions occurring subsequent to such employee's date of employment by Buyer.

ARTICLE 10 SURVIVAL; INDEMNIFICATION

- 10.1 **Survival.** The representations, warranties, covenants and obligations of the Parties under this Agreement shall survive the Closing provided, however, that any claim with respect to the breach thereof may be made only if the Party claiming a breach thereof shall have notified the breaching Party (a) on or before the third anniversary of the Closing Date in the case of Sections 3.1, 3.2, 3.3, 3.8, 3.10, 4.1, 4.2, 4.3 and 4.4, (b) on or before the 545th day following the Closing Date in the case of Sections 3.7, 3.9, and 3.12, (c) at any time in the case of all other provisions (it being understood and agreed, however, that any claim made by a Party pursuant to the indemnification provisions hereof for breach by a Party of any representation or warranty must be brought on or before the date by which a claim must be made hereunder with respect to the applicable representation or warranty), d) in the case of Sections 3.4, 3.5, and 3.6, (i) on or before the third anniversary of the Closing Date for those portions of the Sale Property located in the State of Kansas and which have not as of the third anniversary of the Closing Date, been used by Buyer to transport or store any type or form of solid, liquid, or gaseous materials (excluding nitrogen), (ii) on or before the fifth anniversary of the Closing Date for those portions of the Sale Property located in the State of Kansas and which have as of the third anniversary of the Closing Date been used by Buyer to transport or store any form of solid, liquid, or gaseous material (excluding nitrogen), and (iii) on or before the tenth anniversary of the Closing Date for those portions of the Sale Property in the States of Missouri and Iowa.
- 10.2 **Definitions.** For the purposes of this Agreement, the following terms shall have the meanings indicated:

- (a) **"Damages"** shall mean losses, damages (whether compensatory, punitive, consequential, or special in nature), obligations, liabilities, costs, claims and expenses (including, but not limited to, reasonable attorneys' fees, expenses and court costs), whether suffered by a Party or a third Party and whether resulting from or consisting of injury to or death of any person or persons, or damage to or loss of any property.
- (b) **"Environmental Damages"** shall mean Damages, together with the costs of remediation, including, but not limited to, reasonable consultant and lab fees, that arise out of, relate to or are attributable to the failure of the Sale Property to be in compliance with Environmental Requirements, or the violation of or incurrence of liability under Environmental Requirements.
- (c) **"WPL"** shall mean, when WPL is an indemnifying party, Williams Pipe Line Company; and when WPL is an indemnified party, Williams Pipe Line Company, its stockholder The Williams Companies, Inc., their affiliates, successors and assigns, and any of their employees, officers, directors, agents and representatives.
- (d) **"Buyer"** shall mean, when Buyer is an indemnifying party, Sinclair Pipeline Company; and when Buyer is an indemnified party, Sinclair Pipeline Company, Sinclair Oil Corporation, their subsidiaries, affiliates, successors and assigns, and any of their employees, officers, directors, agents, and representatives.
- (e) **"Environmental Requirements"** shall mean all applicable past, present and future statutes, regulations, rules, ordinances, codes, licenses, permits, orders, approvals, plans, authorizations, concessions, franchises, and similar items, of all governmental agencies, departments, commissions, boards, bureaus, or instrumentalities of the United States, and the states and political subdivisions thereof, and all principles of common law, pertaining to the protection of the environment, injury to the health of humans and damages to natural resources resulting from failure to protect the environment.

10.3 Damages.

- (a) Subject to the terms and conditions of this Article 10 and except with respect to Environmental Damages, which are dealt with exclusively in Section 10.4 below, WPL shall indemnify, defend and hold harmless Buyer from and against, and shall reimburse Buyer for any and all Damages attributable to:
 - (i) any breach by WPL of any representation or warranty of WPL contained in this Agreement;

- (ii) any breach by WPL of any covenant or agreement contained in this Agreement;
 - (iii) any injury to or death of any person or persons relating to the Sale Property and the activities thereon, including omissions and failures to act, prior to and up to the Closing Date;
 - (iv) any damage to or loss of any third party property relating to the Sale Property and the activities thereon, including omissions and failures to act, prior to and up to the Closing Date;
 - (v) any violation of or failure to comply with any applicable law, regulation, decree, understanding, ordinance, rule or order relating to the Sale Property and activities thereon, including omissions and failures to act, prior to and up to the Closing Date; and
 - (vi) any other obligation or liability based upon or arising out of the ownership or operation of the Sale Property prior to and up to the Closing Date,
- (b) Subject to the terms and conditions of this Article 10 and except with respect to Environmental Damages, which are dealt with exclusively in Section 10.4 below, Buyer shall indemnify, defend and hold harmless WPL from and against and shall reimburse WPL for any and all Damages attributable to:
- (i) any breach by Buyer of any representation or warranty of Buyer contained in this Agreement;
 - (ii) any breach by Buyer of any covenant or agreement contained in this Agreement;
 - (iii) any injury to or death of any person or persons relating to the Sale Property and activities thereon, including omissions and failures to act, from and after the Closing Date;
 - (iv) any damage to or loss of any third party property relating to the Sale Property and activities thereon, including omissions and failures to act, from and after the Closing Date;
 - (v) any violation of or failure to comply with any applicable law regulation, decree, understanding, ordinance, rule or order relating to the Sale Property and activities thereon, including omissions and failures to act, from and after the Closing Date; and

- (vi) any other obligation or liability based upon or arising out of the ownership or operation of the Sale Property from and after the Closing Date,

10.4 Environmental Damages.

- (a) Notwithstanding the terms and provisions of Section 10.3 above, but subject to Section 10.4(b) below, Buyer agrees to indemnify, defend, reimburse, and hold harmless WPL from and against any and all Environmental Damages attributable to the ownership or operation of the Sale Property at any time before, on or after the Closing Date.
- (b) Notwithstanding the terms and provisions of Section 10.4(a) above and subject to the other terms and conditions of this Article 10, WPL agrees to indemnify, defend, reimburse and hold harmless Buyer from and against:
 - (i) With respect to the pipeline segments, and all facilities on such pipeline segments, beginning at Neodesha Station and continuing north to Kenneth Station, Environmental Damages that result from pipeline activities on such Sale Property prior to the Closing Date and pertain to any portions of such Sale Property that have not, as of the date on which a claim for indemnity of Environmental Damages is first asserted, been used by Buyer or its assignees to transport or store any type or form of solid, liquid or gaseous materials (excluding nitrogen) (it being agreed by WPL and Buyer that with respect to any portions of such Sale Property that are so used by Buyer or its assignees, WPL's indemnification obligations with respect to such Sale Property shall be governed by the terms of clauses (ii)-(iv) immediately below);
 - (ii) Environmental Damages pertaining to the Sale Property and the activities thereon arising from discrete and isolated spills or leaks prior to the Closing Date on pipeline segments, including those spills or leaks identified on Exhibit 10.4 (but excluding leaks and spills at facilities such as block valves, pump stations, booster stations, tank farms and delivery facilities at terminals and connecting pipelines);
 - (iii) Environmental Damages under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended and supplemented, or any applicable analogous state statute covering the disposal of hazardous substances, arising from the transportation or disposal of hazardous substances removed from the Sale Property prior to the Closing Date; and

- (iv) Environmental Damages pertaining to the Sale Property and the activities thereon, in connection with any claims for personal injury or death or property damage of any third party (including toxic torts), to the extent that the injury or death or property damage arises from discrete and isolated spills or leaks prior to the Closing Date on pipeline segments, including those spills or leaks identified on Exhibit 10.4 (but excluding leaks and spills at facilities such as block valves, booster stations, tank farms and delivery facilities at terminals and connecting pipelines),

10.5 **Indemnification Procedure.** In the event that either Party receives written notice of (a) the commencement of any action or proceeding, (b) the assertion of any claim by a third party or (c) the imposition of any penalty or assessment for which indemnity may be sought pursuant to this Article 10, and such Party intends to seek indemnity from the other Party pursuant to this Article 10, such Party shall with reasonable promptness but in no event later than 15 days following the receipt of such notice (provided, however, that any failure to give such notice will not waive any rights of the Party seeking indemnification except to the extent the rights of the indemnifying party are actually prejudiced), provide the other Party with written notice of such intent, which notice shall include a copy of the written notice received by the Party seeking indemnification and shall specify the nature of and specific basis for such indemnification claim and the amount or estimated amount thereof to the extent then feasible (which estimate shall not be conclusive of the final amount of such claim and demand). The Party upon whom a request for indemnification is made shall be entitled to participate in or, at such Party's option, assume control of the defense, appeal or settlement of the action, proceeding, claim, penalty or assessment with respect to which such indemnity has been invoked. The Party that requested indemnification will fully cooperate with the other Party in connection therewith; provided, however, that neither Party shall settle or compromise any action, proceeding, claim, penalty or assessment with respect to which indemnification has been sought without the other Party's prior written consent, which consent shall not be unreasonably withheld.

10.6 **Additional Indemnity Provisions.**

- (a) Notwithstanding any other provision of this Article 10, (i) neither Party shall have an indemnity obligation to the other Party pursuant to Section 10.3(a) or (b) unless and until, and only to the extent that, the aggregate amount of the Damages suffered by the Party claiming indemnification that would, but for the limitation contained in this Section 10.6(a)(i), be covered by indemnification provisions under Section 10.3(a) or (b) (whichever is applicable) exceeds \$150,000, and (ii) in no event shall the indemnity

obligation of either Party to the other party pursuant to this Agreement (other than pursuant to Section 10.3(a) or (b) (whichever is applicable) or Section 10.4(b)) exceed in the aggregate an amount equal to the Purchase Price.

- (b) The Parties agree that in the event of any alleged violation, nonfulfillment or breach by the other Party of any representation, warranty, covenant or agreement in this Agreement, the sole and exclusive right and remedy of the damaged Party shall be an action to enforce its indemnity rights under this Article 10 and that the damaged Party shall have no other claim, cause of action, right or remedy for such violation, nonfulfillment or breach based upon any other Article or Section of this Agreement, any provision of any federal or state statute, law, rule or regulation or based upon any other cause of action arising at law or in equity; provided, however, that if for any reason a court shall refuse to enforce this provision, and shall permit the damaged Party to assert any action based other than upon the right to claim indemnification as provided in this Article 10, the damaged Party agrees that such other claim shall be subject to and limited by the provisions of Section 10.6(a).
- (c) It is contemplated that the Parties shall have limited continuing obligations to each other pursuant to the Storage Tank Capacity Lease shown in Exhibit 2.5(a)(iii) and the Pipe Line Capacity Lease and Operating Agreements for both Argentine and Kenneth shown as Exhibits 2.5(a)(iv) and 2.5(a)(v). Notwithstanding any of the foregoing provisions of this Article 10, the indemnity provisions of these agreements referred to in this Paragraph shall be controlling as to the subject matter of these agreements.

ARTICLE 11 DAMAGE OR CONDEMNATION

- 11.1 **Damage or Condemnation.** If the Sale Property is damaged to a material extent or condemned to a material extent or condemnation proceedings affecting a material portion of the Sale Property are filed prior to the Closing Date, WPL, at its option, shall either (a) deduct from the Purchase Price due at Closing the reasonable cost to substantially restore the Sale Property to its condition immediately prior to such damage or condemnation, provided that such restoration can be completed by a date reasonably acceptable to Buyer, or (b) at its own expense substantially restore the Sale Property to its condition immediately prior to such damage or condemnation, provided that such restoration can be completed by the Closing Date or other date reasonably acceptable to Buyer, or (c) if Buyer does not elect to waive the damage or condemnation, declare this Agreement terminated, without liability to either Party.

For the purpose of this Article 11, references to "material" shall mean in respect of the capability to conduct the business of the Pipeline System in substantially the manner operated prior to the damage or condemnation. In the event the Sale Property is damaged to a material extent as provided for in this Article 11 and any damage to off-site property (other than the Sale Property) results or any off-site remediation obligation results and WPL has not declared this Agreement terminated pursuant to subsection (c) above, the deduction from the Purchase Price provided for under subsection (a) above, or the expense to be borne by WPL under subsection (b) above, shall include all such off-site amounts. However, WPL may only exercise its option to terminate this Agreement as referenced in (c) above, if WPL and APL do not close the WPL Purchase.

ARTICLE 12 TERMINATION OF AGREEMENT

12.1 **Termination of Agreement.** Anything herein to the contrary notwithstanding, this Agreement may be terminated at any time prior to the Closing Date:

- (a) by either Buyer or WPL if the Closing shall not have occurred on or before March 1, 1995 (or such later date as may be agreed upon by the Parties); provided, however, that if as of March 1, 1995 (or such later date) (i) the transactions contemplated by this Agreement is under investigation by a governmental entity with appropriate jurisdiction or (ii) the conditions to Closing set forth in Sections 6.3 and 7.3 have not been satisfied or waived by Buyer (in the case of Section 6.3) and WPL (in the case of Section 7.3), such date shall, in either case, be extended until the later to occur of (A) the date such investigation is completed or such Closing condition is satisfied or waived, as applicable, or (B) September 30, 1995;
- (b) by Buyer if WPL has failed to perform in any material respect any of its covenants or obligations hereunder (including its obligation to proceed to Closing on or before the date specified in Section 12.1(a) if at such time all of WPL's conditions to Closing have been satisfied or waived), and such material failure has not been cured or corrected by WPL as provided in Section 12.3;
- (c) by Buyer, pursuant to the termination right provided in Section 11.1(c);
- (d) by either Party at any time prior to Closing if a final order has been issued by a judicial or governmental authority with appropriate jurisdiction prohibiting the consummation of the transactions contemplated by this Agreement; and

(e) by mutual agreement of the Parties,

provided, however, no Party may exercise any right of termination pursuant to this Agreement if the event giving rise to such termination right resulted from the failure by such Party to fulfill any material undertaking or commitment provided for herein that is required to be fulfilled by such Party prior to the Closing.

12.2 Procedure Upon Termination. In order to terminate this Agreement pursuant to Section 12.1 hereof, written notice shall forthwith be given by the Party electing to terminate this Agreement to the other Party and, except as provided by Section 12.3 hereof, if applicable, and Section 12.4 hereof, this Agreement and the transactions contemplated by this Agreement shall thereupon be terminated and abandoned, without further action by Buyer or WPL. If the transactions contemplated by this Agreement are terminated and abandoned as provided herein:

- (a) each Party will promptly redeliver to the other Party all documents, work papers and other material furnished by such Party relating to the transactions contemplated hereby (including all copies made thereof), whether so obtained before or after the execution hereof;
- (b) all confidential information received by any Party with respect to the other Party or any of its affiliates shall be treated in accordance with Section 5.5 hereof; and
- (c) notwithstanding the foregoing, the termination of this Agreement shall not in any way limit or restrict the rights and remedies of any Party against any other Party that has violated or breached any of the representations, warranties, agreements or other provisions of this Agreement prior to termination hereof, but no Party shall have any rights or claim against the other Party if a representation or warranty of such other Party becomes untrue or a condition is not fulfilled unless such breach or failure is due to a breach by such other Party of its obligations under Section 5.4 hereof.

12.3 WPL Right to Cure. Any termination notice delivered by Buyer pursuant to the termination right referenced in Section 12.1(b) shall be effective only if it specifies in reasonable detail the material undertaking or commitment failed to be fulfilled by WPL. WPL shall then have the right for 30 days following receipt of such notice to elect, by written notice to Buyer, to remedy such failure; in such event, this Agreement shall not be terminated, but rather shall remain in force and effect, so long as WPL is engaged in a good faith effort to remedy the failure identified by Buyer in its notice.

- 12.4 **Effects of Termination.** The provisions of Sections 5.5, 12.2 through 12.4, 15.1, 15.2, 15.4 through 15.8, and 15.10 through 15.15 shall survive the termination of this Agreement.

ARTICLE 13
TAXES--PRORATIONS AND ADJUSTMENTS

- 13.1 **Proration.** Proration of the following items relating to the Sale Property will be made as of the Closing Date, with all such items attributable to the period prior to the Closing Date being for the sole account of APL or WPL and all such items attributable to periods after the Closing Date being for the sole account of Buyer:
- (a) water taxes and taxes related to solid or hazardous waste management, if any, on or with respect to the Sale Property (there will be an initial proration of such taxes, if necessary, based on the most recent tax bills plus or minus any increase or decrease known as of the Closing Date and a final proration based on the actual tax bills relating thereto; such final proration and remittance of any balance due shall be accomplished between Buyer and WPL promptly following receipt of the actual tax bills and determination of amounts owed);
 - (b) personal property taxes and real estate taxes on or with respect to the Sale Property (there will be an initial proration of such taxes, if necessary, based on the most recent tax bills plus or minus any increase or decrease known as of the Closing Date and a final proration based on the actual tax bills relating thereto; such final proration and remittance of any balance due shall be accomplished between Buyer and WPL promptly following receipt of the actual tax bills and determination of amounts owed; in any event, the owner of record on the assessment date shall file all required reports and returns and shall pay all such taxes due with respect to the tax period within which the Closing Date occurs);
 - (c) the amount of rents and charges for water, sewer, telephone, electricity and other utilities and fuel;
 - (d) such other amounts and charges as are normally subject to proration between a buyer and a seller of real and personal property interests such as rents, fees and other amounts paid by or to APL, WPL, or Buyer under any lease or other contract or arrangement covering the Sale Property; and
 - (e) annual permits and/or inspection fees.

WPL and Buyer shall furnish each other with such documents and other records as shall be reasonably requested in order to confirm all proration calculations.

13.2 **Deposits.** All rental deposits and prepayments which APL or WPL has made in respect of the operation of the Pipeline System as of the Closing Date and which can be transferred to Buyer shall be purchased by WPL from APL and by Buyer from WPL on the Closing Date. The amount and nature of such deposits as of the date hereof are set forth in Exhibit 13.2. Prior to the Closing Date, Exhibit 13.2 shall be revised by WPL to reflect the amount of such deposits as of the Closing Date.

13.3 **Sales Taxes.** The Purchase Price provided for hereunder excludes any sales tax or other taxes required to be paid to any state or other taxing authority in connection with the sale and transfer of property pursuant to this Agreement; however, in the event a taxing authority(ies) deems any such tax, fee or levy to arise out of or in connection with the transactions effected under this Agreement, Buyer shall be responsible for payment thereof and shall indemnify and hold WPL harmless with respect to the payment of any such taxes, fees or levies, including any interest or penalties assessed thereon. To the extent any such applicable taxes, fees or levies are identified prior to the Closing Date, WPL shall collect from Buyer at Closing the amount due as a result of the transactions contemplated by this Agreement, which amount WPL shall then remit to the taxing authority in accordance with the requirements of applicable law. Buyer shall also pay all fees for recording all instruments of conveyance or applications for permits or licenses or the transfer thereof relating to the transfer of the interests included in the Sale Property.

13.4 **Cooperation.** Each Party shall provide the other Party with reasonable access to all relevant documents, data and other information which may be required by the other Party for the purpose of preparing tax returns and responding to any audit by any taxing jurisdiction. Each Party shall cooperate with all reasonable requests of the other Party made in connection with determining or contesting tax liabilities attributable to the Sale Property. Notwithstanding anything to the contrary contained in this Agreement, neither Party to this Agreement shall be required at any time to disclose to the other Party any tax returns or other confidential tax information.

13.5 **Document Retention.**

- (a) Subject to the provisions of 13.5(b), Buyer agrees that all books and records delivered to Buyer by WPL pursuant to the provisions of this Agreement shall be open for inspection by representatives of WPL at reasonable times and upon reasonable notice during regular business hours following the Closing

Date for such period as may be required by law or governmental regulation (in the case of tax records, to a period of 10 years following the Closing Date), and that WPL may during such period at its expense make such copies thereof as it may reasonably request; provided, however, that Buyer may condition WPL's access to such books and records upon the adequate protection of information concerning Buyer's post-Closing affairs. WPL agrees that such documents and materials as shall be retained by WPL shall be open for inspection by Buyer, provided such inspection is related to the Sale Property, or the conduct of business or the operation of the Sale Property at reasonable times and upon reasonable notice during regular business hours for such period following the Closing Date as may be required by law or governmental regulation, and that Buyer may during such period at its expense make such copies thereof as it may reasonably request.

- (b) Without limiting the generality of the foregoing, for such period as may be required by law or governmental regulation, Buyer shall not destroy any original or final copy of any of the books and records delivered to Buyer by WPL hereunder without first offering WPL the reasonable opportunity, at WPL's expense (without any payment to Buyer), to obtain such original or final copy or a copy thereof. After the conclusion of such period, Buyer shall offer WPL the reasonable opportunity to recover all such books and records prior to destroying the same.
- (c) From and after the Closing Date, WPL and Buyer each shall use its best efforts to afford the other access to its and APL's employees who are familiar with the operations of the Sale Property for proper corporate purposes, including, without limitation, the defense of legal proceedings. Such access may include interviews or attendance at depositions or legal proceedings; provided, however, that in any event all expenses (including wages and salaries) reasonably incurred by either Party in connection with this Section 13.5(c) shall be paid or promptly reimbursed by the Party requesting such services.

13.6 **Receivables.** Notwithstanding the Closing, all of the accounts receivable due to APL from third parties based upon its operation of the Pipeline System through the Closing Date shall be retained by APL or WPL. Buyer shall cooperate with WPL and APL, at WPL's reasonable request, to aid WPL and APL in the collection of such accounts receivable.

ARTICLE 14
INDEPENDENT INVESTIGATION AND DISCLAIMER

- 14.1 **Investigation of Books and Records.** Buyer acknowledges that, in making the decision to enter into this Agreement and consummate the transactions contemplated hereby, it has relied solely on the basis of its own independent investigation and examination of the Sale Property and the express representations, warranties, covenants and agreements of WPL set forth in this Agreement.
- 14.2 **Investigation of Environmental Conditions.** Buyer acknowledges that (a) it has had access to and an opportunity to inspect the surface of Sale Property but was denied by APL the opportunity to sample or otherwise inspect the surface, subsurface, or groundwater conditions on or under the Sale Property for the purposes of detecting the presence of hazardous or toxic substances, environmental hazards or other contamination or pollution, (b) except as specifically set forth herein, it agrees that the assignment of the Sale Property on the Closing Date shall be on an "AS IS, WHERE IS, WITH ALL FAULTS" basis, and (c) in making the decision to enter into this Agreement and consummate the transactions contemplated hereby, Buyer has relied solely on its own independent investigation of the Sale Property and the express representations, warranties and covenants and agreements of WPL in this Agreement. Buyer further acknowledges that it has reviewed, examined, thoroughly familiarized and satisfied itself with the contents of any tests, evaluations and reports conducted or prepared by or on behalf of APL and made available to Buyer by WPL pertaining to the environmental condition of the Sale Property, and that WPL MAKES NO, AND EXPRESSLY DISCLAIMS AND NEGATES ANY, REPRESENTATION OR WARRANTY WITH RESPECT TO THE ACCURACY OR COMPLETENESS OF ANY SUCH TESTS, EVALUATIONS OR REPORTS.
- 14.3 **Further Disclaimer.** Buyer further acknowledges that, except as expressly set forth herein, WPL has not made, AND WPL HEREBY EXPRESSLY DISCLAIMS AND NEGATES, ANY REPRESENTATION OR WARRANTY, EXPRESSED, IMPLIED, AT COMMON LAW, BY STATUTE, OR OTHERWISE, RELATING TO (i) THE CONDITION OF THE ASSETS (INCLUDING, WITHOUT LIMITATION, ANY IMPLIED OR EXPRESSED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR OF CONFORMITY TO MODELS OR SAMPLES OF MATERIALS, OR ENVIRONMENTAL CONDITION), (ii) ANY INFRINGEMENT BY WPL OF ANY PATENT OR PROPRIETARY RIGHT OF ANY THIRD PARTY, (iii) THE ACCURACY OR COMPLETENESS OF EXHIBIT F HERETO, AND (iv) ANY INFORMATION, DATA OR OTHER MATERIALS (WRITTEN OR ORAL) PREVIOUSLY OR HEREAFTER FURNISHED TO BUYER BY OR ON

BEHALF OF WPL; AND BUYER WILL HAVE SOLE RESPONSIBILITY FOR ANY ACTION TAKEN BY BUYER, OR BY OTHERS RELYING ON BUYER'S ADVICE, IN RELIANCE ON SUCH INFORMATION, DATA OR MATERIALS. As used in the disclaimer provisions of this Article 14, "WPL" shall include WPL's agents, representatives and consultants.

ARTICLE 15 MISCELLANEOUS

- 15.1 **No Brokers.** Each Party represents and warrants to the other that there are no claims for brokerage commissions or finders' fees or other like payments owed by such Party to another person or entity in connection with the transactions contemplated by this Agreement. Each Party will pay or discharge, and will indemnify and hold harmless the other from and against, any and all claims for brokerage commissions or finders' fees incurred by reason of any action taken by such indemnifying Party.
- 15.2 **Expenses; Taxes.** Except as otherwise provided herein, each Party will pay all fees and expenses incurred by it in connection with this Agreement and the consummation of the transactions contemplated hereby.
- 15.3 **Further Assurances.** Each Party will from time to time after the Closing and without further consideration, upon the request of the other Party, execute and deliver such documents and take such actions as the other Party may reasonably request in order to consummate more effectively the transactions contemplated hereby; provided, however, that no such request shall require either Party to make any expenditure.
- 15.4 **Assignment; Parties in Interest.** This Agreement shall be binding upon, inure to the benefit of and be enforceable by the respective successors and permitted assigns of the Parties; provided that neither Party may transfer or assign any of its rights or obligations hereunder or any interest herein without the prior written consent of the other Party; and provided further that the assignment by either Party of its rights under this Agreement to a corporate subsidiary or affiliate of the Party shall be a permitted assignment for the purposes of this Section, but no such assignment shall relieve the assigning Party of its obligations hereunder.
- 15.5 **Entire Agreement; Amendments.** This Agreement, including the exhibits and any agreements delivered pursuant hereto, and the Construction Access Agreement,

contain the entire understanding of the Parties with respect to the matters addressed by their terms. There are no restrictions, agreements, promises, representations, warranties, covenants or undertakings other than those expressly set forth or referred to herein or therein. This Agreement and such other agreements supersede all prior agreements and undertakings between the Parties with respect to the subject matter hereof and thereof, except to the extent any such prior agreement is specifically referred to herein. This Agreement may be amended or modified only by a written instrument duly executed by each of the Parties. Unless otherwise provided herein, any condition to a Party's obligations hereunder may be waived only in writing by such Party.

- 15.6 **Severability.** In case any one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement and this Agreement shall be construed as if such invalid, illegal or unenforceable provision or provisions had never been contained herein, unless the deletion of such provision or provisions would result in such a material change as to cause completion of the transactions contemplated hereby to be unreasonable.
- 15.7 **Interpretation.** The article and section headings are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.
- 15.8 **Notices.** Notices and other communications provided for herein shall be in writing (which shall include notice by telex or facsimile machine with answer back capability) and shall be delivered or mailed (or if by telex, graphic scanning or other facsimile communications equipment of the sending Party hereto, delivered by such equipment, provided that such delivery is made during normal business hours), addressed as follows:

(a) If to Buyer:

Sinclair Pipeline Company
P.O. 30825
Salt Lake City, Utah 84130
Attention: Senior Vice President, Operations
and Corporate Counsel

(b) If to WPL:

Williams Pipe Line Company
P. O. Box 3448
Tulsa, OK 74101
Fax No.: (918) 588-3371
Attention: S. L. Cropper, President

or to such other address as the person to whom notice is to be given may have previously furnished to the other in writing in the manner set forth above; provided, however, that any notice of change of address shall not be deemed to have been given to any Party until actually received by such Party.

15.9 **Waiver of Rescission.** Anything herein to the contrary notwithstanding, no breach of any representation, warranty, covenant or agreement contained herein shall give rise to any right on the part of either Party after the consummation of the Closing to rescind this Agreement or any of the transactions contemplated hereby.

15.10 **Governing Law.** This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Oklahoma, without regard to any conflict of law rules that would direct application of the laws of another jurisdiction, except to the extent that it is mandatory that the law of some other jurisdiction, wherein the Sale Property is located, shall apply.

15.11 **Counterparts.** This Agreement may be executed in several counterparts, each of which will be deemed to be an original and all of which together will constitute one and the same agreement.

cc: Mike Mears

part of this Agreement and

consequential or punitive
damages, without limitation, loss

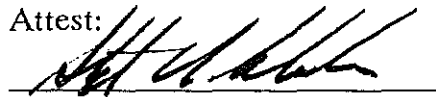


- 15.15 **Use of APL's Name.** As soon as practicable after the Closing Date, (i) APL shall use reasonable efforts to promptly remove all APL pipeline markers from the Pipeline System and Buyer shall use reasonable efforts to, concurrently therewith, replace such pipeline markers with its own or its agent's markers and (ii) Buyer shall remove or cause to be removed any other names and marks used by APL, and all variations and derivatives thereof and logos relating thereto, from the Sale Property and shall not thereafter make any use whatsoever of such names, marks and logos. In the event either Party has not completed the removal and/or replacement for which it is responsible pursuant to the immediately preceding sentence within 180 days after the Closing Date, the other Party shall have the right but not the obligation to effect such removal and/or replacement. The other Party shall reimburse the Party effecting such removal and/or replacement for any costs or expenses incurred by such Party in connection therewith.
- 15.16 **APL Documents.** As soon as practicable, but in any event within thirty (30) days of the Closing Date, WPL will provide to Buyer all documents, manuals, files, computer files, drawings, etc., that it has received from APL regarding the construction, history, operation, and maintenance of the Sale Property.
- 15.17 **Joint Facilities.** WPL and Buyer acknowledge and agree that certain of the assets and properties heretofore utilized by APL in connection with its operation of the Pipeline Systems are located on facilities that are also utilized by APL in connection with its operation of other assets and properties that are not a part of its products pipeline business. In an effort to clarify the rights and obligations of WPL and Buyer with respect to such joint facilities, a list of such joint facilities and the agreement between WPL and Buyer regarding each such facility is set forth below:
- (a) with respect to each tract of fee-owned property constituting a part of the Sale Property upon which a communications tower and/or related equipment constituting Excluded Property hereunder is located, the description of such property included on Exhibit B shall include a reservation in favor of APL of a cost-free, assignable easement having a term of 10 years from the Closing Date and giving APL the right to access and maintain such communications tower and related equipment on such property;
 - (b) with respect to Humboldt Station, and Kenneth Station, APL shall retain ownership of the real property upon which each such station is located and WPL shall use its best efforts to cause APL to grant to Buyer such cost-free, assignable, permanent easements as may be appropriate or necessary to permit Buyer to continue to operate the portion of the Pipeline System traversing such station;

- (c) with respect to the microwave equipment located at Carrollton Station, APL shall retain ownership of such equipment and shall have assignable access rights to the communications equipment room where such equipment is presently located or, at Buyers option, upon reasonable notice, in comparable alternate space with access thereto; and
- (d) with respect to each of the agreements referenced in subparagraphs (a)-(c) preceding, on or before the Closing Date, WPL and Buyer agree to cause the exhibits attached hereto to be amended as necessary to give effect to such agreements.

15.18 **Conflict with Assignment.** WPL and Buyer acknowledge and agree that in the event of any conflict or inconsistency between the terms and provisions of this Agreement and the terms and provisions of the Conveyance Agreement to be executed and delivered at Closing by WPL and Buyer, the terms and provisions of this Agreement shall control.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date set forth in the first paragraph hereof.


Attest: 

Name: Stephen K. Schroeder

Title: Assistant Secretary

"WPL"

WILLIAMS PIPE LINE COMPANY

By: 

S.L. Cropper, President

Attest: 

Name: George M. Paulson, Jr.

Title: General Counsel

"Buyer"

SINCLAIR PIPELINE COMPANY

By:  bwp

Peter M. Johnson, Executive Vice President

DISCLOSURE EXHIBITS

PREAMBLE

This Preamble is attached to and made a part of the Exhibits to that certain Pipeline Sale and Purchase Agreement dated September 29, 1994, between Williams Pipeline Company ("WPL") and Sinclair Pipe Line Company ("SPL") (the "Agreement"). Capitalized terms used but not defined in this Preamble or the attached Exhibits shall have the meanings given them in the Agreement.

Each matter set forth in an Exhibit shall be deemed to include by reference all relevant matters set forth in any and all other Exhibits.

Reference in an Exhibit to any contract, agreement, instrument, document, order, decree or judgment (singularly, "instrument" and collectively, "instruments") shall be deemed to include a reference to all amendments and modifications thereof, if any, that are reflected in the files of WPL or otherwise disclosed to SPL, and to all instruments referred to in any of the foregoing, as applicable.

Any information set forth in an Exhibit that is not required to be disclosed pursuant to the terms of the Section of the Agreement to which such Exhibit relates is provided for informational purposes only and shall not be construed as expanding or modifying WPL's representation and warranty contained in such Section.

The listing of or reference in an Exhibit to any notice, claim, demand, inquiry or threat shall not be construed as an admission of the truth or accuracy thereof or an admission of responsibility or liability.

The disclosure of a particular item or matter on an Exhibit shall not be construed as an admission by WPL that such item or matter falls within the scope of any materiality or other qualifications or limitations to the representation or warranty to which such Exhibit relates.



Exhibit A

**DESCRIPTION OF PIPELINE SYSTEM
PRODUCTS WHOLLY OWNED SYSTEM
Physical Pipeline Description**

Neodesha, Kansas to Kenneth, Kansas (Approximately 119.1 Miles of Eight-Inch Diameter Trunkline)

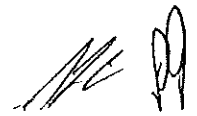
The eight-inch diameter pipeline begins at APL's Neodesha Station and continues northeasterly 17.6 miles, through Wilson County and into Neosho County, to the Chanute block valve, then continues 17.7 miles in a north-northeasterly direction, through Neosho County and into Allen County, to APL's Iola Station.

From Iola Station, the pipeline continues 14.0 miles in a north-northeasterly direction, through Allen County and into Anderson County, to the Colony block valve, then continues in a northeasterly direction 13.7 miles through Anderson County to the Garnett block valve. The pipeline then continues 10.0 miles in a northeasterly direction through Anderson County to the Greeley block valve, then continues 4.1 miles northeasterly, through Anderson County and into Franklin County, to APL's Lane Station.

The pipeline continues northeasterly 8.0 miles from Lane Station, through Franklin County and into Miami County, to the Osawatomie block valve, then continues northeasterly 15.0 miles to the South Marais Des Cygnes River block valve, then crosses the river in a northeasterly direction 5 miles to the North Marais Des Cygnes River block valve, then continues 9.0 miles in a northeasterly direction to the Paola block valve, then 7.5 miles northeasterly to the Chiles Junction block valve. From Chiles Junction, the pipeline continues in a north-northeasterly direction 15.5 miles, through Miami County and into Johnson County, to APL's Kenneth Station.

Kenneth, Kansas to Carrollton, Missouri (Approximately 75.8 Miles of Eight-Inch Diameter Trunkline)

This eight-inch pipeline originates at APL's Kenneth Station, Johnson County, Kansas, and follows a generally northeasterly direction through Johnson County, Kansas, for approximately 1.32 miles at which point the pipeline crosses the Blue River and enters Jackson County, Missouri. The pipeline then continues in a northeasterly direction 17.78 miles through Jackson County to the Little Blue River block valve, then crossing the Little Blue River and continuing 16.2 miles in a northeasterly direction to the Missouri River west block valve.



From that point, the pipeline crosses the Missouri River into Ray County, 1.0 miles to the Missouri River east block valve then continues in a east-northeasterly direction 18.4 miles to the Hardin block valve. The pipeline continues in a generally east-northeasterly direction, through Ray County and into Carroll County, to the block valve located at the delivery to Sinclair's Carrollton Terminal, before continuing 2.1 miles in a east-northeasterly direction to APL's Carrollton Station.

Carrollton Station to Carrollton Terminal Stub Inc (Approximately 2.1 Miles of Eight-Inch Diameter Trunkline)

This pipeline consists of 2.1 miles of eight-inch which runs from APL's Carrollton Station, in a west-southwesterly direction, ending at Sinclair's Carrollton Terminal, located in Carroll County.

Carrollton Station to Ft. Madison, Iowa (Approximately 147 Miles of Eight-Inch Diameter Trunkline)

The eight-inch diameter pipeline begins, at APL's Carrollton Station, Carroll County, Missouri and runs in a generally northeasterly direction 12.4 miles crossing the Grand River into Chariton County, to the Grand River north block valve then continues northeasterly 3.7 miles through Chariton County to the Dean Lake block valve, then 19.9 miles northeasterly, through Chariton County and into Linn County, to the Marceline block valve. The pipeline continues 16.8 miles northeasterly, through Linn County and into Macon County, to the Ethel block valve, then continues in a northeasterly direction 21.8 miles, through Macon County crossing the Chariton River and into Adair County, to APL's Gibbs Station.

From Gibbs Station, the pipeline continues 19.1 miles in northeasterly direction, through Adair County and into Knox County, to the Baring block valve, then continues northeasterly 12.7 miles, through Knox County into Scotland County, to the Gorin block valve, then continues 23.0 miles in a east-northeasterly direction, through Scotland County and into Clark County, to the Des Moines River west block valve.

The pipeline then crosses the Des Moines River, into Lee County, Iowa, 16 miles east-northeasterly to the Des Moines River east block valve. From that point, the pipeline continues across Lee County, Iowa, in a east-northeasterly direction, ending at the Ft. Madison Delivery facility with connections to Sinclair's Ft. Madison Terminal and Norco Pipeline.

Carrollton to Mexico, Missouri (Approximately 84.1 Miles of Eight-Inch Diameter Trunkline)

The eight-inch diameter pipeline originates at APL's Carrollton Station, located in Carroll County, Missouri and follows a generally easterly direction through Carroll County 13.9 miles to the DeWitt block valve, then continues easterly 4.6 miles to the Grand River west block valve. From this point, the pipeline continues easterly 1.4 miles, crossing the Grand River and entering Chariton County, then continues in a east-southeasterly direction through



Chariton County 10.1 miles to the Keytesville block valve, then continues 14.4 miles in a east-southeasterly direction 14.4 miles, through Chariton County and into Randolph County, to the Roanoke block valve.

The pipeline continues in a east-southeasterly direction 18.9 miles through Randolph County to the Clark block valve, then continues in an east-southeasterly direction 1.49 miles through Randolph County, then entering and crossing Audrain County in an east-southeasterly direction 4.95 miles, then entering and crossing Boone County in a east-southeasterly direction 6.89 miles, then re-entering Audrain County and continuing 6.97 miles to APL's Mexico Station. From Mexico Station, the pipeline continues in an east-southeasterly direction through Audrain County to APL's Mexico Delivery facility with connections to Sinclair's Mexico Terminal.



Exhibit B

FEE PROPERTIES

Me

Exhibit C

EASEMENTS, RIGHTS OF WAY, ETC.

ME

Exhibit D

CONTRACTS

1. Agreement for Electric Service between Kansas Gas and Electric Company ("KGEC") and APL dated and effective as of April 2, 1979 (Iola)

Handwritten signature or initials in the bottom right corner of the page.

Exhibit E

PERSONAL PROPERTY AND EQUIPMENT

Exhibit E to be delivered in final form within sixty days following the Closing Date

MC AF

Exhibit F

ADDITIONAL PROPERTY

1. Warehouse Stock and Loose Pipe Inventory
2. 400 HP Mainline Pump and Motor at Kenneth Station

Handwritten initials or signature in the bottom right corner of the page.

Exhibit G

EXCLUDED PROPERTY

The following shall constitute Excluded Property for purposes of the Agreement:

1. All owned or licensed computer software, including, without limitation, all VPS, IRTU Configurator and MicroSoft software.
2. All office equipment, furniture and automobiles located at APL's Houston office on John F. Kennedy Boulevard and at APL's office in Independence, Kansas.
3. Any airplanes owned by APL that have been used in connection with the operation by APL of the Pipeline System.
4. All CPUs, monitors, printers, software and related equipment located at Iola Station.
5. All microwave towers and related equipment and buildings utilized by APL in connection with the operation of the Pipeline System.
6. All VHF radio frequency determining elements or programming parameters and the VHF base stations located at Humboldt and Louisburg Stations, Kansas, Carrollton, Key and Lone Jack Stations, Missouri, Quincy Station, Illinois, and Fort Madison Station, Iowa.
7. All real property interests described as being reserved or excluded from the property description set forth in Exhibits B or C to the Agreement.
8. All leased cellular telephone/radio equipment.
9. With respect to all equipment associated with the SCADA data circuits, all equipment beginning at the connection point of the applicable communication circuit to the modem of the applicable RTU and continuing in the direction of electrical flow through and including the SCADA master equipment located at Independence, Kansas (it being agreed that all such equipment from such point of beginning back to the field instrumentation shall be a part of the Sale Property).
10. Any specialized telecommunications test equipment of APL.



Exhibit 2.5(a)(i)

DEED, CONVEYANCE, ASSIGNMENT AND BILL OF SALE

This Deed, Conveyance, Assignment and Bill of Sale ("Assignment"), effective as of 12:00 noon Central Daylight Time on September 30, 1994, (the "Effective Time"), is made and entered into September 29, 1994, by and between WILLIAMS PIPE LINE COMPANY, a Delaware corporation, whose address is P.O. Box 3448, Tulsa, Oklahoma 74101 ("Assignor"), and SINCLAIR OIL CORPORATION, a Wyoming corporation, acting by and through Sinclair Pipeline Company, a division thereof, with administrative offices at 550 E. South Temple, P.O. Box 30825, Salt Lake City, Utah 84130-0825 ("Assignee").

WITNESSETH:

For ten dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which Assignor hereby acknowledges, Assignor has transferred, bargained, conveyed, and assigned, and does hereby transfer, bargain, convey, and assign, to Assignee, effective for all purposes as of the Effective Time, all of Assignor's right, title and interest in and to the following properties and assets (such properties and assets being hereinafter called the "Assets"), all of which comprise a part of that certain refined petroleum products pipeline system of Assignor extending from the vicinity of Neodesha, Kansas, to the vicinity of Ft. Madison, Iowa, including a spur to Mexico, Missouri, as generally described in the physical pipeline description contained in Exhibit A, of the Pipeline Sale and Purchase Agreement, effective September 30, 1994, between Assignor and Assignee (the "Agreement"). All references to Exhibits described below are part of the Agreement:

- (A) the pipeline system described in Section 1.2 (a) of the Agreement;
- (b) the fee property real estate described in Exhibit B;
- (c) the surface leases, easements, rights of way, permits, licenses and other grants described in Exhibit C (collectively, the "Rights of way");
- (d) the contracts, agreements and instruments listed in Exhibit D; and
- (e) the personal property and equipment described in Exhibits E and F.

SAVE AND EXCEPT the real and personal property described in Exhibit G (collectively, the "Excluded Assets").

TO HAVE AND TO HOLD the Assets, subject to the terms, exceptions and other provisions herein stated and to all claims and encumbrances (including defects of title) listed on Exhibits A through F, evidenced by a written instrument filed in the real property records of the counties in which the Assets are located or described on Exhibit 3.4 (collectively, the "Permitted Encumbrances"), together with all and singular the rights and appurtenances thereunto belonging unto Assignee, its successors and assigns, forever; and Assignor does hereby bind itself, and its successors and assigns, to warrant and forever defend title to the Assets, subject only to the Permitted Encumbrances, unto Assignee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof, by, through or under Assignor and ARCO Pipe Line Company, but not otherwise.

EXCEPT AS PROVIDED IN THE SPECIAL WARRANTY SET FORTH ABOVE, THE ASSIGNMENTS AND CONVEYANCES MADE BY THIS ASSIGNMENT ARE MADE WITHOUT WARRANTY OF TITLE, EXPRESS, OR IMPLIED, AND WITHOUT RECOURSE, EVEN AS TO THE RETURN OF THE PURCHASE PRICE OR OTHER CONSIDERATION, but with full substitution and subrogation of Assignee, and all persons claiming by, through and under Assignee and ARCO Pipe Line Company, to the extent assignable, in and to all covenants and warranties of Assignor's predecessors in title and with full subrogation of all rights accruing under the applicable statutes of limitation or prescription under the laws of the state where the Assets are located and all rights of actions of warranty against all former owners of the Assets.

Except as otherwise provided herein and without limiting Assignee's rights against Assignor pursuant to any separate written agreement between Assignor and Assignee, the Assets are assigned to Assignee without recourse (even as to the return of the purchase price or other consideration), covenant or warranty of any kind, express, implied or statutory. Without limiting the express provisions hereof, Assignee specifically agrees that Assignor is conveying the Assets on an "AS-IS, WHERE-IS, WITH ALL FAULTS" BASIS AND WITHOUT REPRESENTATION OR WARRANTY, EITHER EXPRESS, OR IMPLIED (ALL OF WHICH ASSIGNOR HEREBY DISCLAIMS), RELATING TO (i) TITLE, (ii) TRANSFERABILITY, (iii) FITNESS FOR ANY PARTICULAR PURPOSE, MERCHANTABILITY, DESIGN OR QUALITY, (iv) COMPLIANCE WITH SPECIFICATIONS OR CONDITIONS REGARDING OPERATION, (v) FREEDOM FROM PATENT OR TRADEMARK INFRINGEMENT, (vi) ABSENCE OF LATENT DEFECTS, OR (vii) ANY OTHER MATTER WHATSOEVER.

ASSIGNOR AND ASSIGNEE AGREE THAT, TO THE EXTENT REQUIRED BY APPLICABLE LAW TO BE OPERATIVE, THE DISCLAIMERS OF CERTAIN WARRANTIES CONTAINED HEREIN ARE "CONSPICUOUS" DISCLAIMERS FOR THE PURPOSES OF ANY APPLICABLE LAW, RULE OR ORDER.

This Assignment shall bind and inure to the benefit of Assignor and Assignee and their respective successors and assigns. This Assignment shall be governed by and interpreted in accordance with the laws of the State of Oklahoma without regard to any conflicts of law rule that would direct application of the laws of another jurisdiction, except to the

extent that it is mandatory that the law of some other jurisdiction, wherein the Assets are located, shall apply. All Exhibits attached hereto are hereby made a part hereof and incorporated herein by this reference. References in such Exhibits to instruments on file in the public records are made for all purposes. Unless provided otherwise, all recording references in such Exhibits are to the appropriate records of the counties in which the Assets are located. This Assignment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Sufficient original copies of a document entitled "Memorandum of Deed, Conveyance, Assignment and Bill of Sale" will be executed by Assignor and Assignee for recording in each respective county where specific Assets are located, with appropriate real property interests described for such county listed on an Exhibit called "Attachment I" thereto.

EXECUTED on September 29, 1994, to be effective for all purposes as of the Effective Time.

Attest:

Name: Stephen K. Schroeder

Title: Assistant Secretary

ASSIGNOR:

WILLIAMS PIPE LINE COMPANY

By: _____

S.L. Cropper, President

ASSIGNEE:

SINCLAIR OIL CORPORATION

Attest:

Name: George M. Paulson, Jr.

Title: General Counsel

By: _____

Peter M. Johnson, Executive Vice President

STATE OF OKLAHOMA COUNTY OF TULSA

BE IT REMEMBERED, that the undersigned, a Notary Public, duly qualified, sworn and acting in and for the State of Oklahoma, hereby certify that, on this 29th day of September, 1994, personally appeared before me S.L Cropper, acting as President of Williams Pipe Line Company, a Delaware corporation, who, being by me duly affirmed, did say that he is the designated officer of said corporation, and that the instrument was signed on behalf of the corporation by authority of its Board of Directors and that such person acknowledged the instrument to be the free act and deed of the corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal in the County of Tulsa and State of Oklahoma, this 29th day of September, 1994

Notary Public in and for the State of
Oklahoma

My Commission Expires: _____

STATE OF OKLAHOMA

COUNTY OF TULSA

BE IT REMEMBERED, that the undersigned, a Notary Public, duly qualified, sworn and acting in and for the State of Oklahoma, hereby certify that, on this 29th day of September, 1994, personally appeared before me Peter M. Johnson, acting as Executive Vice President for Sinclair Oil Corporation, a Wyoming corporation, who, being by me duly affirmed, did say that he is the designated officer of said corporation, and that the instrument was signed on behalf of the corporation by authority of its Board of Directors and that such person acknowledged the instrument to be the free act and deed of the corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal in the County of Tulsa and State of Oklahoma, this 29th day of September, 1994.

Notary Public in and for the State of Oklahoma

My Commission Expires: _____

Exhibit 2.5(a)(iii)

STORAGE TANK CAPACITY LEASE
(ARGENTINE AND KENNETH, KANSAS)

THIS AGREEMENT, entered into this 29th day of September, 1994, by and between WILLIAMS PIPE LINE COMPANY, a Delaware corporation, with its principal offices in Tulsa, Oklahoma ("Lessor"), and SINCLAIR OIL CORPORATION, a Wyoming corporation, acting by and through SINCLAIR PIPELINE COMPANY, a division thereof ("Lessee");

1. **Lease Storage**

Lessor has leased from Arco Pipe Line Company ("APL") and Lessor does hereby lease and let unto Lessee, storage capacity in tanks (the "Tanks") located on APL's Argentine, Kansas and Kenneth Kansas facilities, all of which are more particularly described on Exhibit A hereinafter referred to as the ("Lease Storage").

2. **Term**

This Agreement shall have a primary term of ten (10) years commencing on the Closing Date.

3. **Rent**

Lessee shall pay Lessor a rental of Ten Dollars (\$10.00) per year, payable yearly in advance. The first annual rental installment is due and payable on the Closing Date, with continuing installments due and payable on the first day of October each year thereafter. Lessor will invoice Lessee the first day of September of each year.

4. **Specifications of Product**

Unless otherwise agreed in writing, product placed in Lease Storage by Lessee shall conform to the quality standards established by Lessor for that product. Lessee is aware that product with different specifications could create maintenance or operational issues, and consequently, increase the costs anticipated by Lessor. Lessee is responsible for all expenses incurred by Lessor to change product specifications of a Tank. The product placed in Lease Storage, in any one tank, shall not exceed the working capacity of that Tank.

5. Transportation of Product to Lease Storage

All shipments of product into Lease Storage will be made in accordance with Lessor's standard pipeline operating procedures as well as the terms and conditions outlined in Lessor's F.E.R.C. Tariff Publication No. 71 including all successive issues, reissues, supplements and amendments thereto.

6. Measurement

Lessor shall keep records of receipts into and withdrawals from the Kenneth, Kansas Lease Storage and the quantities contained in Lease Storage. The data reflected on such records shall be furnished to Lessee on a monthly basis. For Accounting and bookkeeping purposes only, product will be considered delivered from Lessor to Lessee upon delivery into the Tanks at the Argentine, Kansas Lease Storage.

7. Lease of Tanks

In the event that Lessor's lease with APL is canceled, suspended or otherwise terminates, then upon 60 days advance notice from Lessor to Lessee, Lessor may take one or more of the Tanks out of service. Any such notice from Lessor shall specify the date on which such Tank(s) shall be taken out of service. Lessor may thereafter return any such Tank(s) to service by delivery of 60 days advance notice to Lessee specifying the date on which such Tank(s) shall be returned to service.

8. Modifications

Lessee at its own cost and expense from time to time may make modifications to the Tanks as may be approved in advance by Lessor ("Lessee's Property"). Lessee's Property shall continue to be the property of Lessee, and Lessee shall have the right to remove any or all of Lessee's Property, provided however, that within one month following the termination of this Agreement for any reason, Lessee shall remove Lessee's Property and return the premises to their former condition. If Lessee does not remove Lessee's Property and restore the premises to their prior condition within such one-month period, Lessee's Property shall be deemed to have been abandoned and Lessor shall have the right at Lessor's election (i) to appropriate Lessee's Property to Lessor's own use, or (ii) to remove and dispose of Lessee's Property from and restore the premises, in which latter event Lessee shall reimburse Lessor for Lessor's cost of such removal and restoration. The provisions of this Section 8 shall survive the termination of any other terms of this Agreement.

9. Utilities; Maintenance and Operation

(a) Lessor and Lessee acknowledge and agree that their respective rights and obligations with respect to the maintenance and operation of the Lease Storage shall be as follows:

- (i) Lessor or APL shall be responsible for the following matters (collectively "Lessor's Responsibilities"):
 - (a) the inspection, surveillance, maintenance and repair of the Leased Property;
 - (b) the provision, maintenance and surveillance of cathodic protection for the Tanks;
 - (c) the maintenance of all existing permits and licenses held by Lessor in connection with the ownership, use and operation of the Leased Storage;
 - (d) the maintenance of such compliance records and the performance of such reporting obligations as may be required by applicable law with respect to the Lease Storage;
 - (e) the opening and closing of all valves and gates and the monitoring of the quantity and quality of all product stored by Lessee in the Tanks;
 - (f) except as required by subparagraph (ii)(e) below, the supply of power and other utilities to the Lease Storage;
 - (g) in connection with any acts of God, any resulting damage to the Lease Storage, any clean up costs or expenses resulting therefrom and any liability to third parties for property damage occurring in connection therewith;
 - (h) the disposal of tank bottom water; and
 - (i) causing Lessee to be removed as a named party from, or defending Lessee against, any lawsuits filed against Lessee that relate solely to conditions existing on the Lease Storage prior to the date hereof, provided that Lessor is also named as a defendant in such lawsuit; at the option of Lessor, Lessor may satisfy this responsibility either by (i) causing its own counsel to represent Lessee in connection with seeking to have it removed as a named party or defended against such lawsuit, or (ii) reimbursing Lessee for the cost of counsel retained by it.
- (ii) Lessee shall be responsible for the following matters (collectively, "Lessee's Responsibilities"):
 - (a) the maintenance and repair of Lessee's Property;

- (b) the starting and stopping of all pumps and motors required for the movement of refined products on the Kenneth to Carrollton line segment;
 - (c) the procurement and maintenance of any permits or licenses that are required to be obtained by Lessee under applicable law in order to perform its obligations hereunder;
 - (d) the maintenance of such compliance records and the performance of such reporting obligations as may be required in connection with Lessee's use of the Lease Storage, including, without limitation, RVP oversight programs and sulfur monitoring programs;
 - (e) the cost of mainline power in connection with the movement of refined products on the Kenneth to Carrollton line segment; and
 - (f) any product loss from the Leased Storage occurring as a result of an act of God.
-
- (b) Lessor agrees to discharge Lessor's Responsibilities, and Lessee agrees to discharge Lessee's Responsibilities, in each case in compliance with prudent industry practice and all applicable laws, regulations and insurance policies. Lessor and Lessee agree to cooperate with each other and furnish each other with such information and data as may be reasonable necessary to permit each party to satisfy any compliance or reporting obligations to which it is subject.
 - (c) Lessor agrees to indemnify, defend and hold harmless Lessee from and against any losses, costs, damages, liabilities or expenses ("Losses") suffered or incurred by Lessee, and any third-party claims brought against Lessee, in either case to the extent same are attributable to Lessor's Responsibilities, except to the extent any such Losses or third-party claims are attributable to the negligence, gross negligence, willful misconduct or strict liability of Lessee or its agents, employees or representatives. In the event both parties are negligent, the negligence shall be measured in terms of percentage and each party shall only be liable for its respective percentage of the total amount of damages.
 - (d) Lessee agrees to indemnify, defend and hold harmless Lessor from and against any Losses suffered or incurred by Lessor, and any third-party claims brought against Lessor, in either case to the extent same are attributable to Lessee's Responsibilities, except to the extent any such Losses or third-party claims are attributable to the negligence, gross negligence, willful misconduct or strict liability of Lessor or its agents, employees or representatives. In the event both parties are negligent, the negligence shall be measured in terms of

percentage and each party shall only be liable for its respective percentage of the total amount of damages.

- (e) Lessor and Lessee each agree to furnish prompt notice to the other of any third-party claims or Losses for which it intends to seek indemnification from such other party pursuant to the terms of this Lease. Upon receipt of any such notice that involves a third-party claim, the indemnifying party shall have the right to assume the defense of such third-party claim; provided, however, that any settlement or agreed judgment with respect thereto shall require the prior written approval of the indemnified party, which approval shall not be unreasonably withheld. The indemnified party agrees to cooperate with the indemnifying party in connection with the defense of any such third-party claim.
- (f) Items 9(a)(i)(g), 9(a)(i)(i), 9(ii)(f), and 9(b)-(e) shall survive the termination of any provision of this Agreement.

10. End of Lease Term

- A. As of the Closing Date, the Tank may contain a volume of product and free water to be mutually agreed upon by both parties. Differences between beginning and ending volumes of products in the Tanks shall be settled between the parties based on Platt's Group Three monthly average pricing for the final calendar month of the lease.
- B. Upon expiration of the term of this lease, Lessee must within thirty (30) days, remove all of its product from Lease Storage. Thereafter, unless the parties have executed a written agreement to the contrary, Lessor may take possession of the product then in Lease Storage and sell the same at public or private sale. Out of the proceeds derived from such sale, Lessor shall be entitled to deduct any charges then due Lessor under this agreement, any reasonable costs incurred by Lessor in making the sale, and thereafter remit to Lessee the balance of such proceeds.

11. Title to Product/Insurance

- A. Title to all product placed in Lease Storage shall remain in Lessee. Lessee shall pay any taxes, assessments or charges which may be assessed against the product stored by Lessee under this Agreement. Lessee agrees to reimburse Lessor for any such taxes, assessments or charges paid by Lessor as required by law on behalf of Lessee. Lessor shall, however, have a lien on any product in the Tanks that are for payment of all rental and other amounts due hereunder.

- B. Lessor will carry such casualty insurance on its facilities as it may deem appropriate; Lessee shall insure the product placed in Lease Storage to the extent it may deem appropriate. Lessee agrees to list Lessor as a coinsured on such insurance policies or waive subrogation rights against Lessor under such policies. Upon request from Lessor, Lessee shall furnish documentation evidencing compliance with these insurance requirements.

12. Force Majeure/Rent Abatement

It is agreed that in the event either party hereto is rendered unable, wholly or in part, by Force Majeure, to carry out its obligations hereunder (except for an obligation to pay money), then by such party giving written notice and full particulars of such Force Majeure to the other party as soon as reasonably possible after the occurrence relied on as the cause, the obligation of the party giving such notice, so far as it is affected by such Force Majeure, shall be suspended during the continuance of any inability so caused but for no longer period; and such cause shall, as far as possible, be remedied with all reasonable dispatch.

The term "Force Majeure" as employed herein shall be acts of God, strikes, lockouts, or other industrial disturbances, acts of the public enemy, wars, insurrections, riot, lightning, earthquakes, fires, floods, storms, washouts, priority allocations of materials, orders, restrains or prohibitions by the federal government or the state or by any board, department, commission or agency of the federal or state government having jurisdiction of the parties hereto, or jurisdiction of parties supplying labor, material, or any item or items necessary or desirable for the performance of this agreement, and any other causes, not within the control of the party claiming a suspension which, by the exercise of due diligence, such party shall not have been able to avoid or overcome.

In the event that all or any substantial part of Lease Storage are destroyed by fire or other casualty or are rendered partially or wholly unusable by a Force Majeure Event, rentals payable hereunder shall at the time of such injury abate proportionately until said facilities, shall have been fully restored. Notwithstanding the foregoing, Lessor may in its sole discretion decide whether or not it will effect a restoration. If Lessor elects not to restore Lease Storage, Lessor shall notify Lessee in writing and this lease shall terminate without further obligations or liabilities of either party to the other.

13. Default

If, at any time, Lessee defaults in the performance of any of Lessee's obligations hereunder and such default continues for ten days after written notice thereof from Lessor to Lessee, Lessor shall have the right, in addition to any other remedy, to terminate this Lease or to cure such default and charge the full cost and expense thereof to Lessee. If Lessor elects to cure any such default, Lessor may proceed to

collect all costs and expenses thereof which shall be paid by Lessee in addition to rental payable hereunder.

14. Assignment

Neither this lease nor any of Lessee's rights and privileges thereunder are assignable in whole or in part without the prior written consent of Lessor.

15. Notices

All notices provided for in this agreement shall be deemed to have been properly given if sent to the parties hereto at the following addresses by certified mail, postage prepaid, or to such other address as each party may hereafter designate in writing.

TO: Williams Pipe Line Company
P. O. Box 3448
Tulsa, OK 74101
Attention: Manager, Business Development

TO: Sinclair Pipeline Company
P.O. Box 30825
Salt Lake City, UT 84130
Attention: Senior Vice President, Operations
and Corporate Counsel

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed and their hands and seals hereto affixed the day and year above written.

WILLIAMS PIPE LINE COMPANY

SINCLAIR PIPELINE COMPANY

By _____
President

By _____

EXHIBIT A

ARGENTINE (KANSAS CITY) STATION, KANSAS CITY, KANSAS

| <u>Type of Tank</u> | <u>Tank No.</u> | <u>Shell Capacity (BBLs)</u> |
|---------------------|-----------------|----------------------------------|
| Floating Roof | 3124 | 96,003 |
| Cone Roof | 3123 | 47,385 |

KENNETH STATION, KENNETH, KANSAS

| <u>Type of Tank</u> | <u>Tank No.</u> | <u>Shell Capacity (BBLs)</u> |
|---------------------|-----------------|----------------------------------|
| Cone Roof | 3002 | 80,309 |

PIPELINE CAPACITY LEASE AND OPERATING AGREEMENT

(ARGENTINE)

In consideration of the mutual promises and benefits arising and expected to arise hereunder, WILLIAMS PIPE LINE COMPANY, a Delaware corporation ("WPL" or "Lessor"), and SINCLAIR OIL CORPORATION, a Wyoming corporation, acting by and through SINCLAIR PIPELINE COMPANY, a division thereof, ("Sinclair" or "Lessee"), individually called the "Party", collectively called "Parties", agree with the intent to be legally bound by the following terms and conditions:

1. Background

- 1.1 Lessor owns a pipeline system (the "WPL System"). Part of the system includes pipeline assets capable of transporting refined Petroleum Products (as hereinafter defined) from the Tulsa Origins (as hereinafter defined) to Sinclair Oil Corporation's Argentine, Kansas Terminal ("Argentine"). The portion of pipeline assets owned by Lessor or any functionally equivalent pipeline assets developed during the term of this Capacity Lease (as referenced in Paragraph 1.3) used to transport Petroleum Products from the Tulsa Origins to Argentine, is sometimes referred to in this Capacity Lease as the "T-A System".
- 1.2 Lessee desires to lease capacity in the T-A System and to have Lessor operate and maintain the T-A System, on Lessee's behalf.
- 1.3 Lessor is willing to lease capacity to Lessee in the T-A System and to operate and maintain it. Lessee understands that Lessor may alter the configuration of the T-A System or may substitute other assets in place of the T-A System so long as such alterations or substitutions shall result in a system configuration that provides Lessee with similar or superior ability to use and enjoy its leased capacity to that which existed before said alteration.
- 1.4 The T-A System will be operated as an undivided interest common carrier pipeline under tariffs filed by Lessor and/or Lessee.

2. Leased Capacity

- 2.1 Lessor hereby leases 4,380,000 barrels per "Contract Year", being a twelve month period from October 1 through September 30 of the next year, of pipeline throughput capacity in the T-A System for the transportation of Petroleum Products (the "Capacity Lease"). Petroleum Products are defined in WPL's FERC Tariff No. 71, item 25, as such item may be supplemented, amended or reissued. Lessee's use of its leased capacity shall be measured on a monthly basis and

remaining annual capacity updated. All remaining capacity in the T-A System shall belong to Lessor.

- 2.2 At anytime during the term of the Capacity Lease that Lessee wishes to add incremental capacity, Lessee may add capacity in 100,000 barrel increments ("Incremental Capacity Block") to its annual leased capacity for an individual Contract Year, up to a total maximum annual capacity of 5,480,000 barrels per Contract Year. Lessee may add such incremental capacity by providing payment to Lessor for such Incremental Capacity Block. Incremental Capacity Blocks are only useable in the Contract Year that they are purchased, with the exception that the remaining balance of one purchased Incremental Capacity Block can be used in the following Contract Years. Incremental Capacity Blocks may only be used after the base capacity of the Capacity Lease has been used for that Contract Year, but must be used as soon as possible. Incremental Capacity Blocks must be used within one year of the Initial Term (as hereinafter defined) or any Extension Term (as hereinafter defined) or will otherwise be null and void.
- 2.3 Any shipments made in the T-A System in excess of the actual annual pipeline throughput capacity leased, including purchased Incremental Capacity Blocks, shall be presumed to be made in WPL's capacity.
- 2.4 Lessee's capacity in the T-A System may be accessed only through the "Tulsa Origins" ("Tulsa Origins" being the Sinclair Tulsa Refinery, Citgo Pipeline (formerly Arco Pipe Line)-Drumright, and Explorer Pipeline-Tulsa origins).
- 2.5 Allocation of capacity between Lessee and Lessor on a day to day basis will be coordinated between the Parties' scheduling departments. Lessor will accept in Lessee's capacity at least 80,000 barrels and up to 125,000 barrels of product per week for movement on the T-A System. Moreover, if operations reasonably allow, Lessor will accept over 125,000 barrels of product per week in Lessee's capacity for movements on the T-A System.
- 2.6 Petroleum Product movements on the leased capacity in the Tulsa-Argentine System configuration shall be restricted to movements from the Tulsa Origins to Sinclair at Argentine.
- 2.7 Lessee is familiar with the T-A System as it is currently configured and is satisfied with the condition thereof, and Lessee hereby agrees that it is leasing the capacity on the T-A System on a WHERE IS, AS IS basis, without warranty as to present condition of the T-A System or its suitability for service.
- 2.8 Except as otherwise provided for in Paragraph 3.3, Lessee shall not be responsible for any additional lease payments, capital investments, operating and maintenance expenses, or costs, claims or liabilities of any kind with respect to the leased

property, unless such investments, expenses, costs, claims or liabilities are due to the sole negligent acts or omissions or intentional misconduct of Lessee. If such investments, expenses, costs, claims or liabilities are due to the sole negligent acts or omissions or intentional misconduct of Lessee, Lessee shall be solely responsible for all investments, costs, expenses, claims or liabilities. If such investments, expenses, costs, claims or liabilities are due to the concurrent negligence of the Parties, then such investments, costs, expenses, claims or liabilities will be allocated between the Parties based on their allocated responsibility.

3. Term

- 3.1 The term of this Capacity Lease shall be ten (10) years (the "Initial Term") beginning on the earlier of (the "Effective Date"):
- 1) the date thirty (30) days following Lessee's written notification to Lessor of its election to begin the Capacity Lease.
 - or
 - 2) the Closing Date of Lessor's sale to Lessee of a portion of Arco Pipe Line Company's ("APL") products pipeline system originating in Houston, Texas and terminating at Ft. Madison, Iowa.
- 3.2 With one hundred eighty (180) days written notice prior to the expiration of the Capacity Lease, to the Lessor by the Lessee, Lessee may extend this lease for an additional term of five (5) years (the "Extension Term"). At the end of the Extension Term, the Parties will negotiate in good faith for additional extension terms.
- 3.3 At anytime during the Extension Term, Lessor may upon sixty (60) days written notice to Lessee, terminate the Capacity Lease, if in Lessor's sole judgement any portions of the T-A System become uneconomical to operate. If Lessor sends to Lessee such written notice, the Parties will negotiate in good faith to increase the Base Rent (as hereinafter defined) such that the T-A System becomes economical for Lessor to operate.
- 3.4 With ninety (90) days written notice, Lessee may suspend this Capacity Lease if Sinclair Oil Corporation's Tulsa refinery has substantially terminated production of refined petroleum products in a permanent fashion at the time of suspension. If the production of refined petroleum products is resumed at such refinery by any party within five years of suspension, this Capacity Lease shall resume and the Initial Term or Extension Term shall be extended for a period co-extensive with the length of the termination of production. If refinery production has not resumed by the end of this five year period, this Capacity Lease will be terminated.

4. Rent

- 4.1 The rent payable by Lessee to Lessor (the "Base Rent") for the leased pipeline throughput capacity in Contract Years one through five of the Capacity Lease shall be One Hundred and Forty Six Thousand Dollars (\$146,000) per month, payable monthly in advance. The Base Rent payable by Lessee to Lessor for the lease pipeline throughput capacity shall be adjusted in Contract Year six (6) and annually thereafter. The adjusted monthly Base Rent in Contract Year six (6) will be equal to the Base Rent adjusted by Lessor's average system-wide percentage rate increase since the Effective Date of the Capacity Lease. Thereafter, the adjusted monthly Base Rent shall be adjusted annually and shall be equal to the monthly Base Rent for the previous Contract Year adjusted by Lessor's average system-wide percentage rate increase.
- 4.2 The rent payable by Lessee to Lessor for an Incremental Capacity Block in Contract Years one through five of the Capacity Lease shall be Forty Thousand Dollars (\$40,000) payable in advance. The rent payable by Lessee to Lessor for an Incremental Capacity Block beginning in Contract Year six (6) will be equal to \$40,000 adjusted by Lessor's average system-wide percentage rate increase between the beginning of the Contract Year in which an Incremental Capacity Block is purchased and the Effective Date of the Capacity Lease.
- 4.3 Upon failure to pay the Base Rent or Incremental Rent when due or upon the default by Lessee of any of its obligations hereunder, Lessor may provide Lessee with thirty (30) days written notice of its intent to cancel this capacity lease. If at the end of the thirty (30) day notice period, Lessee has not paid the rent due or cured the default, Lessor may cancel this Capacity Lease and shall also be entitled to any other remedies available under law.
- 4.4 Payments in excess of thirty (30) days in arrears, shall bear interest at the lesser of one (1.0%) percent per month for each month or the maximum interest rate allowed by applicable law.

5. Operations

- 5.1 Except as otherwise provided for in Paragraph 3.3 above, Lessor, at its sole cost and expense, shall operate and maintain the system in accordance with all applicable laws and regulations.
- 5.2 Lessor may inject drag reducing agent in the Petroleum Products transported in Lessee's capacity, provided that Lessor's product quality specifications are maintained.

- 5.3 The quantity of Petroleum Products being delivered into the T-A System shall be determined and measured in accordance with Lessor's standard operating procedures and policies. Lessor will be entitled to a tender deduction consistent with that contained in its FERC Tariff Number 71 as such item may be amended, supplemented, or re-issued for all barrels shipped in Lessee's capacity in the T-A System.
- 5.4 Lessee recognizes that the Petroleum Products it transports on its leased capacity will be commingled with Petroleum Products transported by Lessor in the T-A System. Accordingly, Petroleum Products shall be accepted for transportation only when such Petroleum Products meet all required specifications as uniformly established by Lessor in accordance with WPL's FERC tariff Number 71 as may be supplemented, amended or reissued. All of the required specifications for Petroleum Products shall be issued from time to time in the manner and to the extent appropriate to facilitate the efficient and economical use and operation of the T-A System and to reasonably accommodate shippers in Lessee's capacity as well as in Lessor's capacity. Lessee warrants to Lessor that any Petroleum Products tendered to Lessor to be transported in Lessee's capacity conform with the specifications for such Petroleum Products and are merchantable. Petroleum Products of substantially different grade or quality will be transported only in such quantities as WPL's operations reasonably allow.
- 5.5 Lessors's liability to Lessee and to shippers utilizing Lessee's capacity for any delay in transportation or terminalling services or loss of Petroleum Product shall be limited to the same liability as outlined in WPL's FERC tariff #71, item 185 as such item may be amended, supplemented, or re-issued.
- 5.6 Shippers transporting product on Lessee's capacity shall provide their pro-rata share of the line fill and tank bottoms for the T-A System. The line fill amount shall be based on the leased capacity on the Drumright to Tulsa and Tulsa to Argentine line sections compared to the total capacity on these line sections and the tank bottom share shall be based upon the volume of tankage at Tulsa, Barnsdall, and Kansas City. Lessee shall be responsible for notifying Lessor of the amount that each of the Lessee's shippers will be providing of the Lessee's pro-rata share of line fill and tank bottoms. This line fill and tank bottom volume will be unavailable to the Lessee's shippers for delivery out of the WPL system during the term of this Capacity Lease. Shipments made into the T-A System in order to meet the minimum linefill and tank bottom requirements will not be considered as shipments under the Capacity Lease.

6. Scheduling and Use of the Pipeline

Lessee shall provide Lessor with written notice, given at least by the 15th day of each

month, advising as to the nominations and quantity of Petroleum Products it expects will be tendered for shipment over its space during the following month and including the dates each shipment is to be lifted. This notice will be referred to as the Shipment Schedule. Lessor will, by written notice to Lessee given not later than the 25th day of the month in which such Shipment Schedule was received, confirm the Shipment Schedule as proposed or notify lessee of any necessary revisions to such Schedule. Lessor will furnish Lessee with a final Shipment Schedule.

7. Accounting

- 7.1 Lessor shall maintain accurate records of receipts into the T-A System.
- 7.2 Petroleum Products received into the T-A System will be in Lessor's custody until delivery into Argentina. The Lessor's existing product accounting system will account for all inventory in the T-A System, including product being transported in Lessee's capacity. No separate accounting will be made for product in Lessor's custody that is being shipped on Lessee's capacity in the T-A System. Shipment tickets transferring custody into the T-A System shall be used to determine Lessee's capacity utilized and remaining capacity. Lessee shall have the right to audit and reconcile such tickets and capacity utilization calculations for twelve (12) months after the end of a Contract Year, but Lessee may only audit once every twelve (12) months. After the expiration of said twelve (12) month period, such tickets and statements shall be deemed correct.

8. Tariffs

- 8.1 Each Party may publish its own rules, regulations, tariff and tariff rates for the transportation of Petroleum Products on the T-A System. However, the Parties agree that certain terms of their tariff must be consistent to allow the efficient and economical use of the T-A System. In the event of a conflict in tariff terms and conditions reasonably necessary for the efficient and economical use of the T-A System, Lessee agrees to modify its tariff terms and conditions, excluding price, to alleviate the conflict.
- 8.2 Lessor's and Lessee's obligations to each other and to Sinclair shall be subject to Lessor's and Lessee's obligations under the Interstate Commerce Act ("ICA") and no violation or breach of this Capacity Lease shall arise due to the compliance with the ICA. If any provision of this Capacity Lease is found to be in violation of the ICA, by order of the Federal Energy Regulatory Commission, the Parties will immediately commence good faith negotiations to arrive at alternative commercial arrangements to avoid such violation, provided however, that WPL shall remain revenue neutral under any such new commercial structure compared to its position with regards to this Capacity Lease.

9. Capacity Proration

In the case of a "Force Majeure" event (as hereinafter defined) or any other cause or condition (including scheduled maintenance or repair of the T-A System) which restricts the capacity of the T-A System, Lessor's and Lessee's capacity shall be reduced in the same proportion as its share of total capacity which existed during the six month period prior to the event or condition that requires such proration of capacity.

10. Force Majeure

10.1 If Lessor or Lessee is unable, due to a "Force Majeure" condition (as hereinafter defined), to perform any of its obligations under this Capacity Lease, then upon giving notice of such Force Majeure condition to the other Party within seventy-two (72) hours after learning of the Force Majeure condition ("FM Notice"), the obligations of the Party affected by the Force Majeure (the "Affected Party"), so far as and to the extent that they are affected by such Force Majeure, shall be suspended during the continuance of the Force Majeure condition. During such Force Majeure, however, the Affected Party shall make all reasonable efforts to mitigate and remedy said Force Majeure condition, and proceed with its obligations as soon as possible. Notwithstanding the foregoing, if Lessee is the Affected Party, it shall still be required to pay its Base Rent payment during the continuance of the Force Majeure condition ("FM Payments"). When the Force Majeure condition is remedied, any FM Payments made may be used as a credit, on a dollar for dollar basis, to offset Lessee's rental payment obligation during the Capacity Lease extension period as described in Section 10.2 hereof. Further, if Lessor is the Affected party, Lessee's lease payment will be reduced to reflect any reduction in capacity.

10.2 The Initial Term of the Capacity Lease shall be extended for a period of time co-extensive with the length of the Force Majeure condition. If the Force Majeure condition extends for more than 180 days in a 270 day period from the date of the receipt of the FM Notice by the non-Affected Party, the non-Affected Party shall have the option to terminate the Capacity Lease by ten (10) days prior written notice to the Affected Party. However, if the Affected Party provides adequate assurance in writing to the non-affected party within such ten (10) day period that efforts are being made to remedy the Force Majeure situation, the Affected Party shall have six (6) months to remedy the Force Majeure condition during which time the non-affected party may not cancel the Capacity Lease. If the Force Majeure condition cannot or is not remedied within the foregoing time limitations, any FM Payments made shall be refunded with interest accruing from the date the first FM Payment is made. Interest shall be the lesser of one (1.0%) percent per month or the maximum interest rate allowed by law.

10.3 The term "Force Majeure" as used herein shall mean acts of God; strikes, work stoppages, lockouts; acts of the public enemy; wars; embargoes; blockades; insurrections; riots; earthquakes; fires; storms; floods; washouts; explosions; breakdown, accident or unscheduled maintenance to major equipment or machinery, pipelines, or receiving, storage, distribution or delivery facilities of the Parties, including those at Sinclair's Tulsa Refinery; or any order of any court of competent jurisdiction, or regulatory action by any regulatory agency or government body having jurisdiction over the production, transportation, storage, etc., of ethanol or petroleum products. A Force Majeure condition shall not suspend any obligation for payments due and owing under this Capacity Lease prior to the inception of the Force Majeure condition.

11. Limitation of Liability

Neither Party shall be liable to the other for any incidental, special or consequential damages or for any delay or loss of use (including without limitation, lost revenues, lost business opportunities or lost profits) arising out of, or resulting from, the failure to perform obligations under this Capacity Lease, even if such Party has been advised of the possibility of such damages.

12. Taxes

Lessor shall pay any taxes, including ad valorem taxes, assessments or charges which may be assessed against the T-A System property. Lessee or shippers utilizing Lessee's capacity on the T-A System shall pay any taxes, including ad valorem taxes, assessments or charges which may be assessed against the product owned by Lessee or by the Lessee's shippers in the Lessor's custody on the T-A System. Lessor shall be liable for taxes on income it derives from the operation of the T-A System including rent from Lessee, and Lessee shall be liable for taxes on income it derives from its use of the T-A System.

13. Confidentiality

The terms of this Capacity Lease shall be held confidential by the Parties and shall not be disclosed without prior written consent of the other Parties, for a period of one year from the date of execution, except as may be required by law or legal process.

14. Insurance and Indemnification

14.1 Both Parties shall carry and keep in force the following insurance coverage for the protection of itself and the other Party:

(a) Worker's compensation insurance complying with the law of the state or states in which the work is to be performed, whether or not such party is required by such laws to maintain such insurance, and employer's liability insurance with limits of \$100,000 each accident, including occupational disease coverage with a limit of \$100,000 each employee, and \$500,000 disease policy limit. Each Party may self-insure its workers compensation obligations.

(b) Commercial general liability insurance with a combined single limit for bodily injury and property damage of \$1,000,000 each occurrence, and general and products liability aggregates of \$2,000,000 each. The policy shall include no modifications to the standard coverages provided under a commercial general liability form.

(c) Commercial automobile liability insurance with a combined single limit for bodily injury and property damage of \$1,000,000 each occurrence, and to include coverage for all owned, non-owned and hired vehicles.

(d) Excess or umbrella liability coverage with a combined single limit of \$4,000,000 per occurrence to be excess of the requirements stated above.

(e) Proof of the above coverages shall be provided by either Party upon request from the other Party within 30 days of receiving a written request for such proof.

14.2 Each Party shall indemnify, save, and hold harmless the other Party, and at the other Party's option, defend such Party, its directors, officers, employees and agents from any and all claims, demands, costs (including reasonable attorney and expert witness fees and court costs), expenses, losses, causes of action (whether at law or in equity), fines, civil penalties, and administrative proceedings for injury or death to persons or damage or loss to property or business, including environmental damage, and including those made or incurred by Lessor or Lessee, or either Party's directors, officers, employees, or agents of the indemnified party in any way arising from or connected with the indemnifying Party's sole negligence or intentional misconduct. In the event both parties are negligent, the negligence shall be measured in terms of percentage and each party shall only be liable for its respective percentage of the total amount of damages.

14.3 Any liability or claim which is covered by the insurance specified in Section 14.1 shall be handled by insured Party.

15. Miscellaneous

- 15.1 This Capacity Lease may only be assigned in whole or part by Lessee to a party who purchases Sinclair's Argentine refined products terminal. Further, if an assignment is made to such purchasing Party, Lessor may terminate this lease with sixty (60) days advanced written notice if the Argentine terminal ceases petroleum products terminalling.
- 15.2 The T-A System is neither a joint venture nor a partnership between Lessor and Lessee.
- 15.3 All notices hereunder shall be sent by registered mail, return receipt requested, or hand delivered with a receipt at the following addresses or to such other addresses as one Party may furnish the other:

WILLIAMS PIPE LINE COMPANY
One Williams Center
Tulsa, Oklahoma 74172
Attn: Senior Vice President and General Manager

SINCLAIR PIPELINE COMPANY
P.O. Box 30825
Salt Lake City, Utah 84130
Attn: Senior Vice President, Operations
and Corporate Counsel

- 15.4 This Capacity Lease shall be interpreted and governed by the laws of the State of Oklahoma, without reference to conflicts of law principles.
- 15.5 This Capacity Lease constitutes the entire understanding between the Parties and supersedes all prior agreements, arrangements, and discussions between the Parties about the subject matter of this Capacity Lease. If one part of this Capacity Lease is deemed to be illegal or unenforceable, the remainder of the Capacity Lease shall remain in full force and effect, if commercially reasonable.

EXECUTED AND ATTESTED by their authorized representatives on this _____ day
of September, 1994.

WILLIAMS PIPE LINE COMPANY

Attest:

By: _____

Title: _____

By: _____

Title: _____

SINCLAIR PIPELINE COMPANY

Attest:

By: _____

Title: _____

By: _____

Title: _____

PIPELINE CAPACITY LEASE AND OPERATING AGREEMENT

(KENNETH)

In consideration of the mutual promises and benefits arising and expected to arise hereunder, WILLIAMS PIPE LINE COMPANY, a Delaware corporation ("WPL" or "Lessor"), and SINCLAIR PIPELINE COMPANY ("Sinclair" or "Lessee"), a division of Sinclair Oil Corporation, a Wyoming corporation ("Lessee"), individually called "Party", collectively called the "Parties", agree with the intent to be legally bound by the following terms and conditions:

1. Background

- 1.1 Lessor owns a pipeline system (the "WPL System"). Part of the system includes pipeline assets capable of transporting refined Petroleum Products (as hereinafter defined) from the Tulsa Origins (as hereinafter defined) to Arco Pipe Line Company's Kenneth, Kansas Tank Farm ("Kenneth"). The portion of pipeline assets owned by Lessor or any functionally equivalent pipeline assets developed during the term of this Capacity Lease (as referenced in Paragraph 1.3) used to transport Petroleum Products from the Tulsa Origins to Kenneth, is sometimes referred to in this Capacity Lease as the "T-K System".
- 1.2 Lessee desires to lease capacity in the T-K System and to have Lessor operate and maintain the T-K System, on Lessee's behalf.
- 1.3 Lessor is willing to lease capacity to Lessee in the T-K System and to operate and maintain it. Lessee understands that Lessor may alter the configuration of the T-K System or may substitute other assets in place of the T-K System so long as such alterations or substitutions shall result in a system configuration that provides Lessee with similar or superior ability to use and enjoy its leased capacity to that which existed before said alteration.
- 1.4 Lessor intends to lease the Kenneth, Kansas facility from Arco Pipe Line Company. If this facility becomes unavailable for petroleum products storage to either Party during the term of this Capacity Lease, an alternative physical connection will be made to Lessee's pipeline system where WPL's pipeline intersects with the Kenneth, Kansas to Carrollton, Missouri pipeline to satisfy Lessor's and Lessee's obligations under this Capacity Lease. The investment for this connection will be born equally by Sinclair and WPL.
- 1.5 The T-K System will be operated as an undivided interest common carrier pipeline under tariffs filed by Lessor and/or Lessee.

2. Leased Capacity

- 2.1 Lessor hereby leases 2,450,000 barrels per "Contract Year", being a twelve month period from October 1 through September 30 of the next year of pipeline throughput capacity in the T-K System for the transportation of Petroleum Products (the "Capacity Lease"). Petroleum Products are defined in WPL's FERC Tariff No. 72, item 25, as such item may be supplemented, amended or reissued. Lessee's use of its leased capacity shall be measured on a monthly basis and remaining annual capacity updated. All remaining capacity in the T-K System shall belong to Lessor.
- 2.2 At anytime during the term of the Capacity Lease that Lessee wishes to add incremental capacity, Lessee may add capacity in 100,000 barrel increments ("Incremental Capacity Block") to its annual leased capacity for an individual Contract Year, up to a total maximum annual capacity of 3,550,000 barrels per Year. Lessee may add such incremental capacity by providing payment to Lessor for such Incremental Capacity Block. Incremental Capacity Blocks are only useable in the Contract Year that they are purchased, with the exception that the remaining balance of one purchased Incremental Capacity Block can be used in the following Contract Years. Incremental Capacity blocks may only be used after the base capacity of the Capacity Lease has been used for that Contract Year, but must be used as soon as possible. Incremental Capacity Blocks must be used within one Year of the expiration of the Initial Term (as hereinafter defined) or any Extension Term (as hereinafter defined) or will otherwise be null and void.
- 2.3 Any shipments made in the T-K System in excess of the actual annual pipeline throughput capacity leased, including purchased Incremental Capacity Blocks, shall be presumed to be made in WPL's capacity.
- 2.4 Upon notice in writing, Lessee may reduce its leased pipeline throughput capacity to 2,000,000 barrels per year if Sinclair permanently ceases terminalling of petroleum products at its Mexico, Missouri terminal. However, if the terminalling of petroleum products resumes at the Mexico, Missouri terminal by any party during the Initial Term or Extension Term of this Capacity Lease, the leased pipeline throughput capacity will be immediately increased to 2,450,000 barrels per year.
- 2.5 Lessee's capacity in the T-K System may be accessed only through the "Tulsa Origins" ("Tulsa Origins" being the Sinclair Tulsa Refinery, Citgo Pipeline (formerly Arco Pipe Line)-Drumright, and Explorer Pipeline-Tulsa origins).
- 2.6 Allocation of capacity between Lessee and Lessor on a day to day basis will be coordinated between the Parties' scheduling departments. Lessor will accept in Lessee's capacity at least 45,000 barrels and up to 70,000 barrels of product per week for movement on the T-K System. Moreover, if operations reasonably allow, Lessor will accept over 70,000 barrels of product per week in Lessee's capacity for

movements on the T-K System.

- 2.7 Petroleum Product movements on the leased capacity in the Tulsa-Kenneth System configuration shall be restricted to movements from the Tulsa Origins to the Kenneth facility or to another location as allowed in 1.4.
- 2.8 Lessee is familiar with the T-K System as it is currently configured and is satisfied with the condition thereof, and Lessee hereby agrees that it is leasing the capacity on the T-K System on a WHERE IS, AS IS basis, without warranty as to present condition of the T-K System or its suitability for service.
- 2.9 Except as otherwise provided for in Paragraph 1.4 and Paragraph 3.3, Lessee shall not be responsible for any additional lease payments, capital investments, operating and maintenance expenses, costs, claims, or liabilities of any kind with respect to the leased property, unless such investments, expenses, costs, claims or liabilities are due to the sole negligent acts or omissions or intentional misconduct of Lessee. If such investments, expenses, costs, claims or liabilities are due to the sole negligent acts or omissions or intentional misconduct of Lessee, Lessee shall be solely responsible for all investments, costs, expenses, claims, or liabilities. If such investments, expenses, costs, claims or liabilities are due to the concurrent negligence of the Parties, then such investments, costs, expenses, claims or liabilities will be allocated between the Parties based on their allocated responsibility.

3. Term

- 3.1 The term of this Capacity Lease shall be ten (10) years (the "Initial Term") beginning on the date on which Lessor closes with Arco Pipe Line Company ("APL") its pending acquisition of a portion of APL's products pipeline system originating in Houston, Texas and terminating at Ft. Madison, Iowa (the "effective Date").
- 3.2 With one hundred eighty (180) days written notice prior to the expiration of the Capacity Lease, to the Lessor by the Lessee, Lessee may extend this lease for an additional term of five (5) years (the "Extension Term"). At the end of the Extension Term, the Parties will negotiate in good faith for additional extension terms.
- 3.3 At anytime during the Extension Term, Lessor may upon sixty (60) days written notice to Lessee, terminate the Capacity Lease, if in Lessor's sole judgement any portions of the T-K System become uneconomical to operate. If Lessor sends to Lessee such written notice, at Lessee's option, the Parties will negotiate in good faith to increase the Base Rent (as hereinafter defined) such that the T-K System becomes economical for Lessor to operate.

- 3.4 At anytime during the Extension Term, either Party may upon sixty (60) days written notice to the other Party, terminate the Capacity Lease, if Sinclair's Carrollton, Missouri or Ft. Madison, Iowa terminals cease petroleum products terminalling.
- 3.5 With ninety (90) written days notice, Lessee may suspend this Capacity Lease if Sinclair Oil Corporation's Tulsa refinery has substantially terminated production of refined petroleum products in a permanent fashion at the time of suspension. If the production of refined petroleum products is resumed at such refinery by any party within five years of suspension, this Capacity Lease shall resume and the Initial Term or Extension Term shall be extended for a period co-extensive with the length of the termination of production. If refinery production is not resumed by the end of this five year period, this Capacity Lease will be terminated.

4. Rent

- 4.1 The rent payable by Lessee to Lessor (the "Base Rent") for the leased pipeline throughput capacity in Contract Years one through five of the Capacity Lease shall be Eighty-Nine Thousand and Six Hundred and Sixty-Seven Dollars (\$89,667) per month, payable monthly in advance. The Base Rent payable by Lessee to Lessor for the leased pipeline throughput capacity shall be adjusted in Contract Year six (6) and annually thereafter. The adjusted monthly Base Rent in Contract Year six (6) will be equal to the Base Rent adjusted by Lessor's overall average system-wide percentage rate since the Effective Date of the Capacity Lease. Thereafter, the adjusted monthly Base Rent shall be adjusted annually and shall be equal to the monthly Base Rent for the previous Year adjusted by Lessor's average system-wide percentage rate increase.
- 4.2 The rent payable by Lessee to Lessor for an Incremental Capacity Block in Years one through five of the Capacity Lease shall be Forty-Three Thousand Nine Hundred and Twenty Dollars (\$43,920) payable in advance. The rent payable by Lessee to Lessor for an Incremental Capacity Block beginning in Year six (6) will be equal to \$43,920, adjusted by Lessor's average system-wide percentage rate increase between the beginning of the Year in which an Incremental Capacity Block is purchased and the Effective Date of the Capacity Lease.
- 4.3 If Lessee exercises its leased capacity reduction option in Paragraph 2.4, the Base Rent payable by Lessee to Lessor for the leased pipeline throughput capacity from the exercise date through year five of the Capacity Lease shall be Seventy-Three Thousand and Two Hundred (\$73,200) per month, payable monthly in advance. The Base Rent payable by Lessee to Lessor for the leased pipeline throughput capacity shall be adjusted in year six (6) and annually thereafter. The adjusted monthly Base Rent in year six (6) will be equal to the Base Rent plus the increase, in cents per barrel, in Lessor's Central Oklahoma to Kansas City (Fairfax) rate since the Effective Date of the Capacity Lease multiplied by 166,667. Thereafter,

the adjusted monthly Base Rent shall be adjusted annually and shall be equal to the monthly Base Rent for the previous year plus the increase, in cents per barrel, in Lessor's Central Oklahoma to Kansas City (Fairfax) rate. If product terminalling resumes at Sinclair's Mexico, Missouri terminal by any party during the term of this Capacity Lease, the Base Rent will revert to that described in Paragraph 4.1.

- 4.4 Leased pipeline throughput capacity paid for by Lessee but not used in a contract year, may be used as prepaid leased pipeline throughput capacity and may be used during the next contract year of this Capacity Lease so long as Lessee has first utilized all of its leased pipeline throughput capacity for such year. Prepaid leased pipeline throughput capacity shall not accrue interest, may only be used by Lessee, shall only be used consistent with the terms of this Capacity Lease. Prepaid leased pipeline throughput capacity shall become null and void the earlier of two years after the contract year in which it was paid or one year after the expiration of this Capacity Lease.
- 4.5 Upon failure to pay the Base Rent or Incremental Rent when due or upon the default by Lessee of any of its obligations hereunder, Lessor may provide Lessee with on thirty (30) days written notice of its intent to cancel this Capacity Lease. If at the end of the thirty (30) day notice period, Lessee has not paid the rent due or cured the default, Lessor may cancel this Capacity Lease and shall also be entitled to any other remedies available under law.
- 4.6 Payments in excess of thirty (30) days in arrears, shall bear interest at the lesser of one (1.0%) percent per month for each month or the maximum interest rate allowed by applicable law.

5. Operations

- 5.1 Except as otherwise provided for in Paragraph 3.3 above, Lessor, at its sole cost and expense, shall operate and maintain the system in accordance with all applicable laws and regulations.
- 5.2 Lessor may inject drag reducing agent in the Petroleum Products transported in Lessee's capacity, provided that Lessor's product quality specifications are maintained.
- 5.3 The quantity of Petroleum Products being delivered into the T-K System shall be determined and measured in accordance with Lessor's standard operating procedures and policies. Lessor will be entitled to a tender deduction consistent with that contained in its FERC Tariff Number 71 as such item may be amended, supplemented, or re-issued for all barrels shipped in Lessee's capacity in the T-K System.

- 5.4 Lessee recognizes that the Petroleum Products it transports on its leased capacity will be commingled with Petroleum Products transported by Lessor in the T-K System. Accordingly, Petroleum Products shall be accepted for transportation only when such Petroleum Products meet all required specifications as uniformly established by Lessor in accordance with WPL's FERC tariff No. 71 as may be supplemented, amended or reissued. All of the required specifications for Petroleum Products shall be issued from time to time in the manner and to the extent appropriate to facilitate the efficient and economical use and operation of the T-K System and to reasonably accommodate shippers in Lessee's capacity as well as in Lessor's capacity. Lessee warrants to Lessor that any Petroleum Products tendered to Lessor to be transported in Lessee's capacity conform with the specifications for such Petroleum Products and are merchantable. Petroleum Products of substantially different grade or quality will be transported only in such quantities as WPL's operations reasonably allow.
- 5.5 Lessors's liability to Lessee and to shippers utilizing Lessee's capacity for any delay in transportation or terminalling services or loss of Petroleum Product shall be limited to the same liability as outlined in WPL's FERC tariff number 71, item 185 as such item may be amended, supplemented, or re-issued.
- 5.6 Shippers transporting product on Lessee's capacity shall provide their pro-rata share of the line fill and tank bottoms for the T-K System. The line fill amount shall be based on the leased capacity on the Drumright to Tulsa and Tulsa to Kenneth line sections compared to the total capacity on these line sections and the tank bottom share shall be based upon the volume of tankage at Tulsa, Barnsdall, and Kenneth. Lessee shall be responsible for notifying Lessor of the amount that each of the Lessee's shippers will be providing of the Lessee's pro-rata share of line fill and tank bottoms. This line fill and tank bottom volume will be unavailable to the Lessee's shippers for delivery out of the WPL system during the term of this Capacity Lease. Shipments made into the T-K System in order to meet the minimum linefill and tank bottom requirements will not be considered as shipments under the Capacity Lease.

6. Scheduling and Use of the Pipeline

Lessee shall provide Lessor with written notice, given at least by the 15th day of each month, advising as to the nominations and quantity of Petroleum Products it expects will be tendered for shipment over its space during the following month and including the dates each shipment is to be lifted. This notice will be referred to as the Shipment Schedule. Lessor will, by written notice to Lessee given not later than the 25th day of the month in which such Shipment Schedule was received, confirm the Shipment Schedule as proposed or notify lessee of any necessary revisions to such Schedule. Lessor will furnish Lessee with a final Shipment Schedule.

7. Accounting

- 7.1 Lessor shall maintain accurate records of receipts into the T-K System.
- 7.2 Petroleum Products received into the T-K System will be in Lessor's custody until delivery into Kenneth. The Lessor's existing product accounting system will account for all inventory in the T-K System, including product being transported in Lessee's capacity. No separate accounting will be made for product in Lessor's custody that is being shipped on Lessee's capacity in the T-K System. Shipment tickets transferring custody into the T-K System shall be used to determine Lessee's capacity utilized and remaining capacity. Lessee shall have the right to audit and reconcile such tickets and capacity utilization calculations for twelve (12) months after the end of a Contract Year, but Lessee may only audit once every twelve (12) months. After the expiration of said twelve (12) month period, such tickets and statements shall be deemed correct.

8. Tariffs

- 8.1 Each Party may publish its own rules, regulations, tariff and tariff rates for the transportation of Petroleum Products on the T-K System. However, the Parties agree that certain terms of their tariff must be consistent to allow the efficient and economical use of the T-K System. In the event of a conflict in tariff terms and conditions reasonably necessary for the efficient and economical use of the T-K System, Lessee agrees to modify its tariff terms and conditions, excluding price, to alleviate the conflict.
- 8.2 Lessor's and Lessee's obligations to each other and to Sinclair shall be subject to Lessor's and Lessee's obligations under the Interstate Commerce Act ("ICA") and no violation or breach of this Capacity Lease shall arise due to the compliance with the ICA. If any provision of this Capacity Lease is found to be in violation of the ICA, by order of the Federal Energy Regulatory Commission, the Parties will immediately commence good faith negotiations to arrive at alternative commercial arrangements to avoid such violation, provided however, that WPL shall remain revenue neutral under any such new commercial structure compared to its position with regards to this Capacity Lease.

9. Capacity Proration

In the case of a "Force Majeure" event (as hereinafter defined) or any other cause or condition (including scheduled maintenance or repair of the T-K System) which restricts the capacity of the T-K System, Lessor's and Lessee's capacity shall be reduced in the same proportion as its share of total capacity which existed during the six month period prior to the event or condition that requires such proration of capacity.

10. Force Majeure

- 10.1 If Lessor or Lessee is unable, due to a "Force Majeure" condition (as hereinafter defined), to perform any of its obligations under this Capacity Lease, then upon giving notice of such Force Majeure condition to the other Party within seventy-two (72) hours after learning of the Force Majeure condition ("FM Notice"), the obligations of the Party affected by the Force Majeure (the "Affected Party"), so far as and to the extent that they are affected by such Force Majeure, shall be suspended during the continuance of the Force Majeure condition. During such Force Majeure, however, the Affected Party shall make all reasonable efforts to mitigate and remedy said Force Majeure condition, and proceed with its obligations as soon as possible. Notwithstanding the foregoing, if Lessee is the Affected Party, it shall still be required to pay its Base Rent payment during the continuance of the Force Majeure condition ("FM Payments"). When the Force Majeure condition is remedied, any FM Payments made may be used as a credit, on a dollar for dollar basis, to offset Lessee's rental payment obligation during the Capacity Lease extension period as described in Section 10.2 hereof. Further, if Lessor is the Affected Party, Lessee's lease payment will be reduced to reflect any reduction in capacity.
- 10.2 The Initial Term of the Capacity Lease shall be extended for a period of time co-extensive with the length of the Force Majeure condition. If the Force Majeure condition extends for more than 180 days in a 270 day period from the date of the receipt of the FM Notice by the non-Affected Party, the non-Affected Party shall have the option to terminate the Capacity Lease by ten (10) days prior written notice to the Affected Party. However, if the Affected Party provides adequate assurance in writing to the non-affected party within such ten (10) day period that efforts are being made to remedy the Force Majeure situation, the Affected Party shall have six (6) months to remedy the Force Majeure condition during which time the non-affected party may not cancel this Capacity Lease. If the Force Majeure condition cannot or is not remedied within the foregoing time limitations, any FM Payments made shall be refunded with interest accruing from the date the first FM Payment is made. Interest shall be the lesser of one (1.0%) percent per month or the maximum interest rate allowed by law.
- 10.3 The term "Force Majeure" as used herein shall mean acts of God; strikes, work stoppages, lockouts; acts of the public enemy; wars; embargoes; blockades; insurrections; riots; earthquakes; fires; storms; floods; washouts; explosions; breakdown, accident or unscheduled maintenance to major equipment or machinery, pipelines, or receiving, storage, distribution or delivery facilities of the Parties, including those at Sinclair's Tulsa Refinery; or any order of any court of competent jurisdiction, or regulatory action by any regulatory agency or government body having jurisdiction over the production, transportation, storage, etc., of ethanol or petroleum products. A Force Majeure condition shall not suspend any obligation for payments due and owing under this Capacity Lease prior to the inception of the Force Majeure condition.

11. Limitation of Liability

Neither Party shall be liable to the other for any incidental, special or consequential damages or for any delay or loss of use (including without limitation, lost revenues, lost business opportunities or lost profits) arising out of, or resulting from, the failure to perform obligations under the Capacity Lease, even if such Party has been advised of the possibility of such damages.

12. Taxes

Lessor shall pay any taxes, including ad valorem taxes, assessments or charges which may be assessed against the T-K System property. Lessee or shippers utilizing Lessee's capacity on the T-K System shall pay any taxes, including ad valorem taxes, assessments or charges which may be assessed against the product owned by Lessee or by the Lessee's shippers in the Lessor's custody on the T-K System. Lessor shall be liable for taxes on income it derives from the operation of the T-K System including rent from Lessee, and Lessee shall be liable for taxes on income it derives from its use of the T-K System.

13. Confidentiality

The terms of this Capacity Lease shall be held confidential by the Parties and shall not be disclosed without prior written consent of the other Parties, for a period of one year from the date of execution, except as may be required by law or legal process.

14. Insurance and Indemnification

14.1 Both Parties shall carry and keep in force the following insurance coverage for the protection of itself and the other Party:

(a) Worker's compensation insurance complying with the law of the state or states in which the work is to be performed, whether or not such party is required by such laws to maintain such insurance, and employer's liability insurance with limits of \$100,000 each accident, including occupational disease coverage with a limit of \$100,000 each employee, and \$500,000 disease policy limit. Each Party may self-insure its worker's compensation obligations.

(b) Commercial general liability insurance with a combined single limit for bodily injury and property damage of \$1,000,000 each occurrence, and general and products liability aggregates of \$2,000,000 each. The policy shall include no modifications to the standard coverages provided under a commercial general liability form.

(c) Commercial automobile liability insurance with a combined single limit for bodily injury and property damage of \$1,000,000 each occurrence, and to include coverage for all owned, non-owned and hired vehicles.

(d) Excess or umbrella liability coverage with a combined single limit of \$4,000,000 per occurrence to be excess of the requirements stated above.

(e) Proof of the above coverages shall be provided by either Party upon request from the other Party within 30 days of receiving a written request for such proof.

14.2 Each Party shall indemnify, save, and hold harmless the other Party, and at the other Party's option, defend such Party, its directors, officers, employees and agents from any and all claims, demands, costs (including reasonable attorney and expert witness fees and court costs), expenses, losses, causes of action (whether at law or in equity), fines, civil penalties, and administrative proceedings for injury or death to persons or damage or loss to property or business, including environmental damage, and including those made or incurred by Lessor or Lessee, or either Party's directors, officers, employees, or agents of the indemnified party in any way arising from or connected with the indemnifying Party's sole negligence or intentional misconduct. In the event both parties are negligent, the negligence shall be measured in terms of percentage and each party shall only be liable for its respective percentage of the total amount of damages.

14.3 Any liability or claim which is covered by the insurance specified in Section 15.1 shall be handled by insured Party.

15. Miscellaneous

15.1 This Capacity Lease may only be assigned in whole or part by Lessee to a Party who purchases Sinclair's Carrollton and Ft. Madison refined products terminals. Further, following any such assignment, Lessor may terminate this lease with sixty (60) days advanced written notice if the Carrollton and Ft. Madison terminals cease petroleum products terminalling.

15.2 The T-K System is neither a joint venture nor a partnership between Lessor and Lessee.

15.3 All notices hereunder shall be sent by registered mail, return receipt requested, or hand delivered with a receipt at the following addresses or to such other addresses as one Party may furnish the other:

WILLIAMS PIPE LINE COMPANY
One Williams Center
Tulsa, Oklahoma 74172
Attn: Senior Vice President and General Manager

SINCLAIR PIPELINE COMPANY
P.O. Box 30825
Salt Lake City, Utah 84130
Attn: Senior Vice President, Operations
and Corporate Counsel

15.4 This Capacity Lease shall be interpreted and governed by the laws of the State of Oklahoma, without reference to conflicts of law principles.

15.5 This Capacity Lease constitutes the entire understanding between the Parties and supersedes all prior agreements, arrangements, and discussions between the Parties about the subject matter of this Capacity Lease. If one part of this Capacity Lease is deemed to be illegal or unenforceable, the remainder of the Capacity Lease shall remain in full force and effect, if commercially reasonable.

EXECUTED AND ATTESTED by their authorized representatives on this _____ day of September, 1994.

WILLIAMS PIPE LINE COMPANY

Attest:

By: _____

Title: _____

By: _____

Title: _____

SINCLAIR PIPELINE COMPANY

Attest:

By: _____

Title: _____

By: _____

Title: _____

Exhibit 3.4

ENCUMBRANCES ON SALE PROPERTY

None.

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Exhibit 3.7

PENDING CLAIMS AND LITIGATION

1. Osawatomie Claims-APL has pending claims arising from the release on January 21, 1994, of product into the Marais de Cygnes River near Osawatomie, Kansas. Liability, if any, for Osawatomie claims will remain with APL upon the Closing under the Agreement.
2. With respect to the groundbed constituting a part of the Sale Property that is the subject of that certain lawsuit styled Jackson County Public Water Supply District No. 1 v. ARCO Pipe Line Company, Case No. CV94-017071, Docket M, Circuit Court of Jackson County, Missouri, wherein it is alleged that stray current from such groundbed is inducing corrosion of a nearby water main, WPL and Buyer agree as follows: (a) APL shall be responsible for and has indemnified WPL, and WPL in turn indemnifies Buyer, from and against any loss, cost or expense as a result of such lawsuit and (b) Buyer agrees to cooperate with WPL and APL in connection with the settlement or other resolution of such lawsuit and to provide WPL and APL with such access to the subject groundbed and any adjacent property as may be reasonably necessary to permit APL to fully and adequately defend against such lawsuit and/or settle same (including, if necessary, access for the purpose of causing such groundbed to be relocated). In the event Buyer transfers all or any portion of the property herein the subject groundbed is located, Buyer agrees to take such action as is necessary to ensure that such third party has notice of such access rights of WPL and APL and takes title to such property subject to such access rights. In that regard, Buyer agrees to execute such additional documents and instruments as may be necessary to effect such intent.

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Exhibit 3.11(a)

NOTICES OF VIOLATION OF ENVIRONMENTAL REQUIREMENTS

None.

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Exhibit 13.2

DEPOSITS

Line Deposit for CPL #1681

Consolidated Electric Cooperative
P. O. Box 540
Mexico, Missouri 65265-0540
(314) 581-3630

Account 10-31-44-199

September, 1993

\$ 865.00

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Exhibit 5.1(a)

CHANGE IN CUSTODY OF INVENTORY

- I. WPL shall transfer custody of the Finished Products contained within the Pipeline System (the "Inventory") to Buyer as of the Closing Date.
- II. The volume and characteristics of Inventory to be transferred to the custody of Buyer shall be determined in accordance with the following procedures:
 - A. General Procedures
 1. System shall be shut down prior to 12:01 a.m. Central Time on the Closing Date. Gauging, sampling and testing of the Inventory shall be performed as of 12:01 a.m. Central Time on the Closing Date. Start-up of the system shall begin after all gauging and sampling is completed and when all parties agree to its accuracy.
 2. All gauging, sampling and testing shall be performed in the presence of representatives of the Buyer. Procedures following shall be in compliance with API measurement standards and set forth in the MPMS, as follows:

API Chapter 3-Tank Gauging

API Chapter 7-Temperature Determination

API Chapter 8-Sampling in accordance with procedures for sampling to be done at the top, middle and bottom of the tanks.

API Chapter 9-Gravity Determination
 3. All tank inventories and line fills shall be computed at 60°F temperature by use of the following tables. All calculations will be completed by APL's Independence Oil Accounting personnel and shall be subject to verification by Buyer at its sole cost and expense. For Finished Products:

Table 5B-Correction of Observed API gravity to API gravity at 60°F.

Table 6B-Correction of volumes to 60°F against API gravity at 60°F.
 4. Tank inventories will be applicable at all tankage locations.
 - B. Procedures for Determination of Finished Product Inventory

1. Line Fill

- a. All lines will be shut down prior to Closing Date. All meter readings at receipt and delivery locations will be taken and recorded in the presence of Buyer's representatives at time of shutdown of each segment.
 - b. The line fill inventory for each segment will reflect volumes at 60°F based on metered volumes corrected to net. As of the Closing Date, WPL will identify, as to each segment of the Product Pipeline System, the shipper(s) of the product in that segment and the identity and volume of finished product held in the name of each such shipper.
2. Tank Inventory-WPL will handline all tanks at closing. Temperature and gravity measurements on tank samples will be taken in accordance with API MPMS standards for product temperature netting purposes. Tank bottom water will be measured in accordance with API MPMS standards and the volume of water will be deducted from the total inventory in each tank.
3. Header Volumes-Documentation will be provided to Buyer describing volumes and assigned designation by shipper of header volumes at working storage locations.

III. WPL shall prepare a document identifying the total Finished Product Inventory determined in accordance with the foregoing procedures, and identifying by location as set forth above, the shipper(s), the identity of the finished product(s) and the volume(s), which document shall be signed by both WPL and Buyer and shall document the transfer of custody from WPL to Buyer for the Finished Product Inventory set forth therein as of the Closing Date. Said document will follow the format set forth in Attachments 1 and 2 to this Exhibit.

Attachment 1
to Exhibit 5.1(a)

Finished Product Inventory

Linefill Inventory Segment Product Shipper BBLs @ 60°F

Mexico-Carrollton

Carrollton - Kenneth

Carrollton-Carrollton Terminal

Carrollton-Ft. Madison

Attachment 2
to Exhibit 5.1(a)

Finished Product Inventory

Tank Inventory
Carrollton Station
(Tank Number)

Product

Shipper

BBLS @ 60°F

| | |
|------|-------|
| 3201 | SH |
| 3202 | LD |
| 3203 | IF |
| 3204 | PR |
| 3209 | SH |
| 3212 | WATER |

FOR AND IN CONSIDERATION of Eighteen & 50/100 dollars to us
in hand paid, the receipt of which is hereby acknowledged Me, John Costello and
Mary Costello his wife, Catherine Costello & Winnie Costello
do hereby grant and lease to THE PRAIRIE OIL AND GAS COMPANY, a Corporation of the State of Kansas,
its successors and assigns, the right of way to lay, maintain and operate pipe lines for the transportation of oil or gas, and
erect, maintain and operate a telegraph line, if the same shall be found necessary, over and through our lands in
the Township of Fort Osage County of Jackson State of Missouri, bounded and
described as follows:
Being lands in the West 1/2 of the S.W. 1/4 of
Section 18, T 50 N. R. 29 W.

with ingress and egress to and from the same. The said grantors to fully use
and enjoy the said premises, except for the purpose hereinbefore granted to the said THE PRAIRIE OIL AND GAS
COMPANY, which hereby agrees to pay any damages which may arise to crops or fences from the laying, erecting, main-
taining or operating of said pipe and telegraph lines; said damages, if not mutually agreed upon, to be ascertained and
determined by three disinterested persons, one thereof to be appointed by the said John Costello
his heirs or assigns; one by the said THE PRAIRIE OIL AND GAS COMPANY, its
successors or assigns, and the third by the two so appointed as aforesaid, and the award of such three persons, or any two
of them, shall be final and conclusive. Said pipe lines to be laid along
the route surveyed across said premises and
to be buried so as not to interfere with culti-
vation. Telegraph poles to be set along fence
lines or highway.

IN WITNESS WHEREOF we have hereunto set our hands and seals this thirteenth
day of September 1904

Signed, Sealed and Delivered in presence of
Charles Gorton

John Costello [L. S.]
Mary Costello [L. S.]
Winnie Costello [L. S.]
Catherine Costello [L. S.]

STATE OF MISSOURI,
COUNTY OF Jackson } ss. On this thirteenth day of September 1904
before me personally appeared John Costello, Mary Costello, his wife, Winnie
Costello & Catherine Costello
to me known to be the person s described in and who executed the foregoing instrument, and acknowledged that
they executed the same as their free act and deed. And the said Winnie Costello
& Catherine Costello further declare d themselves to be single and unmarried.



IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed
my official seal at my office in Kansas City the day and
year first above written.

My term expires September 29 1907
Edward C. Wright
Notary Public, Jackson County, Mo.

NOTE.—If the acknowledgement be taken by a Notary Public, the certificate must state the date of
the expiration of his term of office.

STATE OF MISSOURI,

COUNTY OF..... } ss. On this..... day of..... 190

before me personally appeared.....

and.....

his wife, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at my office in..... the day and year first above written.

My term expires..... 190

NOTE.—If the acknowledgment be taken by a Notary Public, the certificate must state the date of the expiration of his term of office.

RIGHT OF WAY

FROM

John Costello & wife
TO

THE PRAIRIE OIL AND GAS COMPANY.

RECORDED this 18th day of October 1904 at 12 M.

10-18-04

10-18-04

Recorded in Book..... at page.....

M. R. GOSSETT, Recorder.

By C. Schmitt, Deputy

Recorder's Fee \$ 1.00

11-1-04

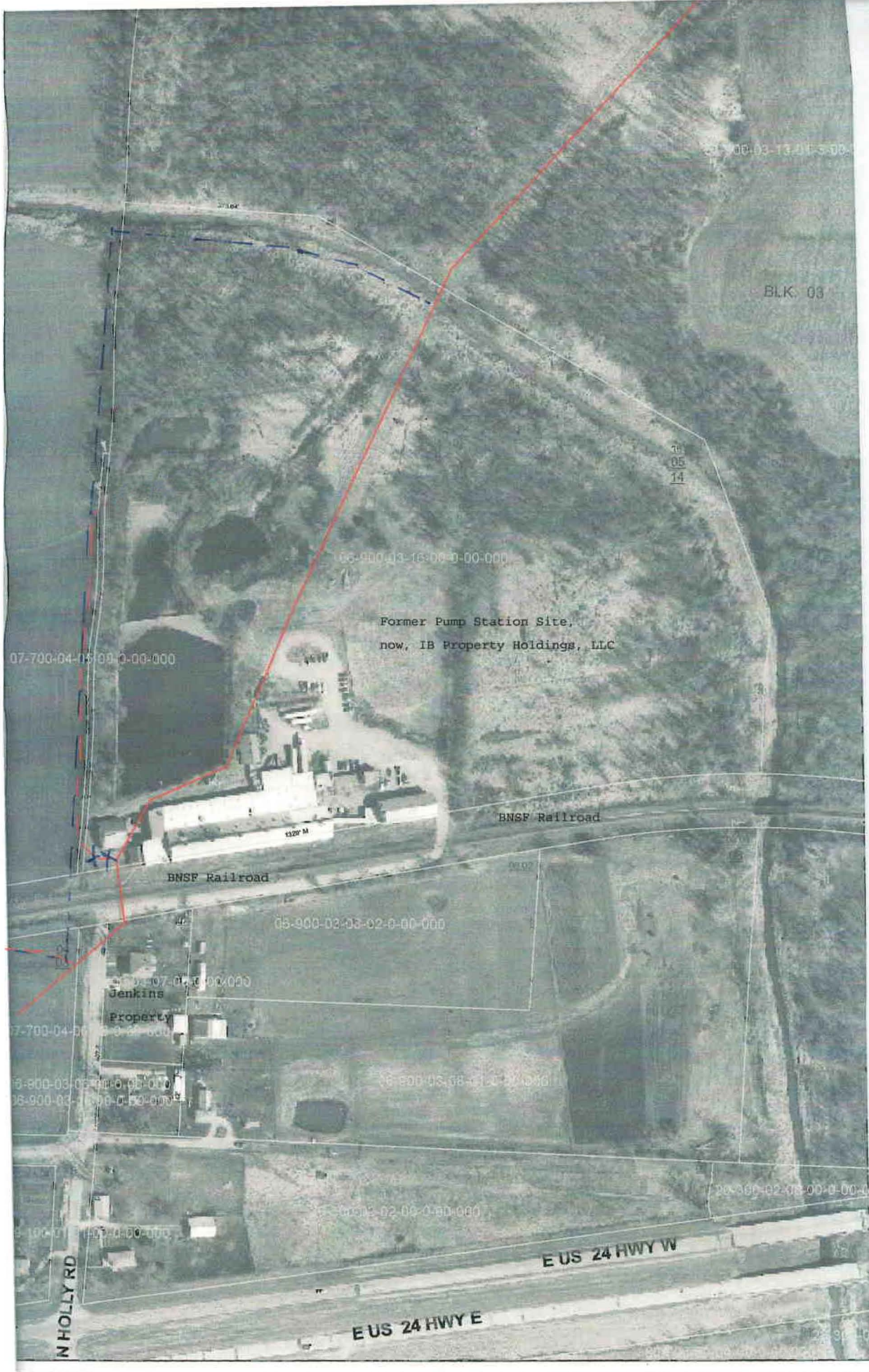
10/27/1904
CREDIT VOUCHER
No. 11110

255-144

18th day of October A. D. 1904 at 12 M.
M. R. GOSSETT, Recorder.
IN WITNESS WHEREOF, I hereunto set my hand and affix the seal of said office, at Independence, Mo., the day and year last aforesaid.

M. R. Gossett Recorder.

By J. W. Hagan Deputy.



06-00-13-01-5-00-0

BLK. 03

20
05
14

Former Pump Station Site,
now, IB Property Holdings, LLC

07-700-04-05-00-0-00-000

BNSF Railroad

BNSF Railroad

06-900-03-03-02-0-00-000

Jenkins
Property

07-700-04-05-00-0-00-000

06-900-03-03-02-0-00-000

06-900-03-03-02-0-00-000

06-900-03-03-02-0-00-000

20-300-02-03-00-0-00-000

06-900-03-03-02-0-00-000

06-900-03-03-02-0-00-000

N HOLLY RD

E US 24 HWY W

E US 24 HWY E

SINCLAIR PIPE LINE COMPANY BREAK AND LEAK REPORT

L. #28
136

DISTRIBUTION:

☐ OPERATIONS
EXECUTIVE OFFICE

☒ R/W AGENT

☐ DISTRICT OFFICE
DATE OF REPORT August 20, 1965 19 REPORT NO. CAR #234DATE OF LEAK August 20, 1965 19 MAP NUMBER 24 LOCATION NUMBER 5716NAME OF LINE Kansas City to Chicago BPLBETWEEN STATIONS Kenneth & Carrollton NO., SIZE AND KIND OF LINE 24SURVEY OR SEC., TWP., RANGE W/2 34/4, 18-50N-29W COUNTY AND STATE Jackson County, Mo.SPECIFIC LOCATION OF LEAK FROM TAG OR M.P. NO. 163' north of Tag #1743+40 or under Mo. Pac. RR tracks at old Buckner Sta.NATURE AND CAUSE OF LEAK collar defective inside casing IF PIT LEAK ☐ INSIDE WAS CORROSION ☐ OUTSIDEHOW WAS LEAK REPAIRED Casing cut to get at collar -- welded on old style crude collar clamp.NAME OF PRODUCT OUT H.D. BARRELS OUT 150 BARRELS PICKED UP 140BARRELS LOST 10 HOW DISPOSED OF soaked in groundEXPENSE CHARGED (SE, U.D., NO.) NATURE OF DAMAGE TO PROPERTY ditched 30'x8' in RR r/w and yard of Die Casting firmPROPERTY OWNER'S NAME AND ADDRESS Mo. Pac. RR - St. Louis Mo. TENANT'S NAME AND ADDRESS Ivons Die Casting Co., Buckner, Mo.LEAK REPORTED BY Company Employee REWARD PAYMENT \$ DRAFT NUMBERREMARKS Permanent repairs made at same time.

SIGNED